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This listing does not affect the legal status of any document published in this issue. Detailed table of contents appears inside.

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A cumulative guide is published separately at the end of each month. The guide lists the parts and sections affected by documents published since January 1, 1974, and specifies how they are affected.

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Title 3—The President

EXECUTIVE ORDER 11784

Delegating to the Administrator of General Services Certain Authority To Issue Regulations Relating to Joint Funding

By virtue of the authority vested in me by section 301 of title 3 of the United States Code, and as President of the United States of America, it is hereby ordered as follows:

SECTION 1. (a) Subject to the provisions of subsection (b) of this section, the Administrator of General Services is hereby designated and empowered to exercise, without approval, ratification, or other action of the President, the authority of the President to issue regulations with respect to joint funding under:

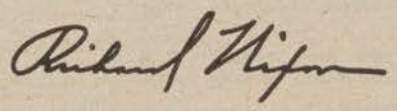
(1) Section 5 of the Rehabilitation Act of 1973 (Public Law 93–112), and

(2) Section 408 of the Domestic Volunteer Service Act of 1973 (Public Law 93–113).

(b) The functions delegated to the Administrator of General Services by subsection (a) of this section shall be performed subject to the general oversight of the Director of the Office of Management and Budget.

SEC. 2. Section 1 of Executive Order No. 11758 of January 15, 1974, is amended by deleting:

"(1) under section 5 of the Rehabilitation Act of 1973 (Public Law 93–112) to issue regulations with respect to joint funding, and (2)".



THE WHITE HOUSE,
May 30, 1974.

[FR Doc.74–12733 Filed 5–30–74;2:35 pm]

rules and regulations

This section of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect most of which are keyed to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510.

The Code of Federal Regulations is sold by the Superintendent of Documents. Prices of new books are listed in the first FEDERAL REGISTER issue of each month.

Title 1—General Provisions

CHAPTER I—ADMINISTRATIVE COMMITTEE OF THE FEDERAL REGISTER

CFR CHECKLIST

1974 Issuances

This checklist, prepared by the Office of the Federal Register, is published in the first issue of each month. It is arranged in the order of CFR titles, and shows the revision date and price of the volumes of the Code of Federal Regulations issued to date for 1974. New units issued during the month are announced on the back cover of the daily FEDERAL REGISTER as they become available.

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Order from Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.

CFR Unit (Rev. as of Jan. 1, 1974):

Title	Price
1	$1.10
2 [Reserved]	
3	3.15
4	1.75
5	3.55
6 (Rev. Feb. 1, 1974)	4.45
7 Parts:	
0–45	4.65
46–51	3.45
52	4.80
53–209	5.10
210–699	4.10
700–749	3.55
750–899	2.35
900–944	3.60
945–980	1.80
981–999	2.00
1000–1059	3.55
1060–1119	3.65
1120–1199	2.80
1500–end	5.00
8	2.05
9	4.75
10 Parts 0–199	3.90
11	1.10
12 Parts:	
1–299	5.10
60–199	4.95
200–end	5.90
13	2.50
14 Parts:	
1–59	4.80
15	3.90
16 Parts:	
0–149	5.05
150–end	4.45
200–end	4.95

CFR Unit (Rev. as of April 1, 1974):

Title	Price
20 Parts:	
01–399	$1.95
26 Parts:	
1 (§§ 1.301–1.400)	2.35

1973 CFR volumes previously announced are available from the Superintendent of Documents at the prices listed below:

CFR Unit (Rev. as of July 1, 1973):

Title	Price
28 (Rev. July 10, 1973)	$1.70
29 Parts:	
0–499	4.00
500–1899	4.95
1900–end	6.05
30	4.15
31	4.75
32 Parts:	
1–8	5.45
9–39	3.70
40–399	4.35
400–589	4.50
590–699	2.05
700–799	5.90
800–999	4.05
1000–1399	1.60
1400–1599	3.25
1600–end	1.65
32A	2.80
33 Parts:	
1–199	4.35
200–end	3.05
34 [Reserved]	
35	3.40
36	2.50
37	1.75
38	5.25
39 (Rev. Aug. 1, 1973)	3.40
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1–2	4.50
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10–17	2.55
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General Index Supplement	1.35

CFR Unit (Rev. as of Oct. 1, 1973):

Title	Price
42	2.85
43 Parts:	
1–999	2.85
1000–end	4.20
44 [Reserved]	
45 Parts:	
1–99	2.15
100–199	3.55
200–499	2.40
500–end	2.35
46 Parts:	
1–65	4.00
66–145	$4.10
146–149	5.80
150–199	4.05
200–end	4.70
47 Parts:	
0–19	3.40
20–69	4.05
70–79	4.35
80–end	4.55
48 [Reserved]	
49 Parts:	
1–99	1.30
100–199	5.60
200–999	4.30
1000–1199	2.50
1200–1299	5.60
1300–end	2.20
50	2.55

Title 5—Administrative Personnel

CHAPTER I—CIVIL SERVICE COMMISSION

PART 213—EXCEPTED SERVICE

Department of Defense

Section 213.3306 is amended to show that one position of Secretary to the President, Uniformed Services University of the Health Sciences, is excepted under Schedule C.

Effective on June 3, 1974, § 213.3306 (a) (63) is added as set out below.

§ 213.3306 Department of Defense

(a) *Office of the Secretary.* * * *

(63) One Secretary to the President, Uniformed Services University of the Health Sciences.

* * * * * *

(5 U.S.C. secs. 3301, 3302; E.O. 10577, 3 CFR 1954–58 comp. p. 218)

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] JAMES C. SPRY,
Executive Assistant to the Commissioners.

[FR Doc.74–12634 Filed 5–31–74;8:45 am]

PART 213—EXCEPTED SERVICE

Department of Health, Education, and Welfare

Section 213.3316(n) is amended to reflect the following headnote change: from Office of the Assistant Secretary for Community and Field Services to Office of the Assistant Secretary for Human Development. Section 213.3316(n) (2) is amended to reflect the following title change: from Special Assistant to the Assistant Secretary for Community and Field Services to Director, Plan-

ning and Evaluation. Section 213.3316 (n) (4) is added to show that the position of Confidential Assistant to the Assistant Secretary for Human Development is excepted under Schedule C.

Effective June 3, 1974, § 213.3316(n) is amended as set out below.

§ 213.3316 Department of Health, Education, and Welfare.

* * * * *

(n) *Office of the Assistant Secretary for Human Development.* * * *

(2) Director, Planning and Evaluation.

* * * * *

(4) One Confidential Assistant to the Assistant Secretary.

(5 U.S.C. secs. 3301, 3302; E.O. 10577, 3 CFR 1954–58 Comp. p. 218)

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] JAMES C. SPRY,
Executive Assistant to the Commissioners.

[FR Doc.74–12636 Filed 5–31–74;8:45 am]

PART 213—EXCEPTED SERVICE

Securities and Exchange Commission

Section 213.3330 is amended to show that one position of Administrative Aide to the Executive Director is excepted under Schedule C.

Effective June 3, 1974, § 213.3330(e) is amended as set out below.

§ 213.3330 Securities and Exchange Commission.

* * * * *

(e) Two Administrative Aides to the Executive Director.

* * * * *

(5 U.S.C. secs. 3301, 3302; E.O. 10577, 3 CFR 1954–58 Comp. p. 218)

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] JAMES C. SPRY,
Executive Assistant to the Commissioners.

[FR Doc.74–12635 Filed 5–31–74;8:45 am]

Title 7—Agriculture

CHAPTER IV—FEDERAL CROP INSURANCE CORPORATION, DEPARTMENT OF AGRICULTURE

PART 401—FEDERAL CROP INSURANCE

Subpart—Regulations for the 1969 and Succeeding Crop Years

APPENDIX—COUNTIES DESIGNATED FOR BARLEY CROP INSURANCE

Pursuant to authority contained in § 401.101 of the above-identified regulations, as amended, the following counties are hereby added to the list of counties published February 12, 1974 (39 FR 5303), which were designated for barley crop insurance for the 1975 crop year.

CALIFORNIA

Fresno	Madera
Kern	Merced
Kings	Tulare

(Secs. 506, 516, 52 Stat. 73, as amended, 77 as amended; 7 U.S.C. 1506, 1516)

[SEAL] M. R. PETERSON,
Manager, Federal Crop Insurance Corporation.

[FR Doc.74–12560 Filed 5–31–74;8:45 am]

PART 401—FEDERAL CROP INSURANCE

Subpart—Regulations for the 1969 and Succeeding Crop Years

APPENDIX—COUNTIES DESIGNATED FOR COTTON CROP INSURANCE

Pursuant to authority contained in § 401.101 of the above-identified regulations, as amended, the following counties have been designated for cotton crop insurance for the 1975 crop year.

ALABAMA

Blount	Jackson
Cherokee	Lauderdale
Chilton	Lawrence
Colbert	Limestone
Conecuh	Madison
Covington	Marshall
Cullman	Morgan
Dallas	Pickens
De Kalb	Shelby
Escambia	Talladega
Etowah	Tuscaloosa
Hale	

ARIZONA

Maricopa	Yuma
Pinal	

ARKANSAS

Arkansas	Lee
Ashley	Lincoln
Chicot	Lonoke
Clay	Mississippi
Craighead	Monroe
Crittenden	Phillips
Cross	Poinsett
Desha	Prairie
Greene	Randolph
Jackson	St. Francis
Jefferson	Woodruff
Lawrence	

CALIFORNIA

Fresno	Madera
Imperial	Merced
Kern	Riverside
Kings	Tulare

GEORGIA

Ben Hill	Lee
Brooks	Miller
Clay	Mitchell
Colquitt	Randolph
Cook	Sumter
Crisp	Terrell
Decatur	Thomas
Dooly	Tift
Early	Turner
Irwin	Worth

KENTUCKY

Fulton

LOUISIANA

Acadia	Caldwell
Avoyelles	Catahoula
Bossier	Concordia
Caddo	East Carroll

LOUISIANA—Continued

Evangeline	Rapides
Franklin	Red River
Madison	Richland
Morehouse	St. Landry
Natchitoches	Tensas
Pointe Coupee	West Carroll

MISSISSIPPI

Alcorn	Madison
Benton	Monroe
Bolivar	Panola
Calhoun	Pontotoc
Carroll	Prentiss
Chickasaw	Quitman
Coahoma	Sharkey
De Soto	Sunflower
Hinds	Tallahatchie
Holmes	Tippah
Humphreys	Tunica
Issaquena	Union
Lee	Washington
Leflore	Yazoo

MISSOURI

Butler	Pemiscot
Dunklin	Scott
Mississippi	Stoddard
New Madrid	

NEW MEXICO

Chaves	Eddy
Dona Ana	Lea

NORTH CAROLINA

Anson	Nash
Cleveland	Northampton
Edgecombe	Robeson
Halifax	Scotland
Hoke	Union
Lincoln	

OKLAHOMA

Beckham	Jackson
Caddo	Kiowa
Grady	Tillman
Harmon	Washita

SOUTH CAROLINA

Aiken	Hampton
Allendale	Kershaw
Anderson	Laurens
Bamberg	Lee
Barnwell	Lexington
Calhoun	Marion
Chester	Marlboro
Chesterfield	Orangeburg
Clarendon	Saluda
Darlington	Spartanburg
Dillon	Sumter
Dorchester	Williamsburg
Edgefield	York
Florence	

TENNESSEE

Carroll	Lake
Chester	Lauderdale
Crockett	Lawrence
Dyer	Lincoln
Fayette	McNairy
Franklin	Madison
Gibson	Obion
Giles	Shelby
Hardeman	Tipton
Haywood	Weakley
Henderson	

TEXAS

Austin	Burleson
Bailey	Calhoun
Bell	Cameron
Bosque	Castro
Brazos	Childress
Brisco	Cochran

TEXAS—Continued

Collin	Lamb
Crosby	Limestone
Culberson	Lubbock
Dawson	Lynn
Deaf Smith	Matagorda
Denton	McLennan
Ellis	Milam
El Paso	Navarro
Falls	Nueces
Fannin	Parmer
Floyd	Pecos
Fort Bend	Presidio
Garza	Reeves
Grayson	Refugio
Hale	Robertson
Hall	San Patricio
Haskell	Swisher
Hidalgo	Terry
Hill	Travis
Hockley	Victoria
Hudspeth	Wharton
Hunt	Wilbarger
Knox	Willacy
Lamar	Williamson

VIRGINIA

Southampton

(Secs. 506, 516, 52 Stat. 73, as amended, 77, as amended; 7 U.S.C. 1506, 1516)

[SEAL] M. R. PETERSON,
Manager, Federal Crop Insurance Corporation.

[FR Doc.74-12572 Filed 5-31-74;8:45 am]

PART 401—FEDERAL CROP INSURANCE

Subpart—Regulations for the 1969 and Succeeding Crop Years

APPENDIX—COUNTIES DESIGNATED FOR GRAIN SORGHUM CROP INSURANCE

Pursuant to authority contained in § 401.101 of the above-identified regulations, as amended, the following counties have been designated for grain sorghum crop insurance for the 1975 crop year.

ARIZONA

Maricopa	Yuma
Pinal	

COLORADO

Kit Carson

KANSAS

Allen	Kearny
Anderson	Kingman
Atchison	Labette
Barton	Lincoln
Bourbon	Linn
Brown	Lyon
Butler	Marion
Chase	Marshall
Clay	McPherson
Cloud	Meade
Coffey	Miami
Cowley	Mitchell
Crawford	Montgomery
Dickinson	Morris
Doniphan	Morton
Douglas	Nemaha
Elk	Neosho
Ellis	Osage
Ellsworth	Osborne
Finney	Ottawa
Ford	Pawnee
Franklin	Phillips
Geary	Pottawatomie
Grant	Pratt
Gray	Reno
Greenwood	Republic
Harvey	Rice
Haskell	Riley
Jackson	Rooks
Jefferson	Rush
Jewell	Russell
Johnson	Saline

KANSAS—Continued

Scott	Stevens
Sedgwick	Sumner
Seward	Wabaunsee
Shawnee	Washington
Smith	Wichita
Stafford	Wilson
Stanton	Woodson

MISSOURI

Atchison	Henry
Bates	Vernon

NEBRASKA

Adams	Madison
Boone	Nance
Butler	Nemaha
Cass	Nuckolls
Clay	Otoe
Colfax	Pawnee
Dodge	Platte
Fillmore	Polk
Franklin	Richardson
Gage	Saline
Hall	Saunders
Hamilton	Seward
Jefferson	Thayer
Johnson	Webster
Kearney	York
Lancaster	

NEW MEXICO

Curry	Lea

OKLAHOMA

Caddo	Nowata
Craig	Ottawa
Delaware	Texas
Kay	Washita
Mayes	

SOUTH DAKOTA

Bon Homme	Hanson
Charles Mix	Hutchinson
Davison	Sanborn
Douglas	

TEXAS

Bailey	Hunt
Bell	Hutchinson
Bosque	Lamb
Briscoe	Lubbock
Calhoun	Matagorda
Camerson	McLennan
Carson	Milam
Castro	Moore
Collin	Navarro
Crosby	Nueces
Dallam	Ochiltree
Deaf Smith	Oldham
Denton	Parmer
Ellis	Randall
Falls	Refugio
Floyd	San Patricio
Fort Bend	Sherman
Grayson	Swisher
Guadalupe	Travis
Hidalgo	Victoria
Hale	Willacy
Hansford	Wharton
Hartley	Williamson
Hill	

(Secs. 506, 516, 52 Stat. 73, as amended, 77, as amended; 7 U.S.C. 1506, 1516)

[SEAL] M. R. PETERSON,
Manager, Federal Crop Insurance Corporation.

[FR Doc.74-12562 Filed 5-31-74;8:45 am]

PART 401—FEDERAL CROP INSURANCE

Subpart—Regulations for the 1969 and Succeeding Crop Years

APPENDIX—PARISHES DESIGNATED FOR SUGARCANE CROP INSURANCE

Pursuant to authority contained in § 401.101 of the above-identified regulations, the following parishes have been designated for sugarcane crop insurance for the 1975 crop year.

LOUISIANA

Ascension	St. James
Assumption	St. John the Baptist
Iberia	St. Martin
Iberville	St. Mary
Lefourche	Terrebonne
Pointe Coupee	West Baton Rouge

(Secs. 506, 516, 52 Stat. 73, as amended, 77, as amended; 7 U.S.C. 1506, 1516)

[SEAL] M. R. PETERSON,
Manager, Federal Crop Insurance Corporation.

[FR Doc.74-12564 Filed 5-31-74;8:45 am]

PART 401—FEDERAL CROP INSURANCE

Subpart—Regulations for the 1969 and Succeeding Crop Years

APPENDIX—COUNTIES DESIGNATED FOR WHEAT CROP INSURANCE

Pursuant to authority contained in § 401.101 of the above-identified regulations, as amended, the following counties are hereby added to the list of counties published February 12, 1974, (39 FR 5303), which were designated for wheat crop insurance for the 1975 crop year.

CALIFORNIA

Fresno	Madera
Kern	Merced
Kings	Tulare

ILLINOIS

Lawrence	Marion

INDIANA

Greene	Posey

(Secs. 506, 516, 52 Stat. 73, as amended, 77, as amended; 7 U.S.C. 1506, 1516)

[SEAL] M. R. PETERSON,
Manager, Federal Crop Insurance Corporation.

[FR Doc.74-12561 Filed 5-31-74;8:45 am]

PART 411—GRAPE CROP INSURANCE

Subpart—Regulations for the 1967 and Succeeding Crop Years

APPENDIX—COUNTIES DESIGNATED FOR GRAPE CROP INSURANCE

Pursuant to authority contained in § 411.1 of the above-identified regulations, the following counties have been designated for grape crop insurance for the 1975 crop year.

NEW YORK

Chautauqua	Seneca
Niagara	Steuben
Ontario	Yates
Schuyler	

PENNSYLVANIA

Erie

(Secs. 506, 516, 52 Stat. 73, as amended, 77, as amended; 7 U.S.C. 1506, 1516)

[SEAL] M. R. PETERSON,
Manager, Federal Crop Insurance Corporation.

[FR Doc.74-12563 Filed 5-31-74;8:45 am]

CHAPTER IX—AGRICULTURAL MARKETING SERVICE (MARKETING AGREEMENTS AND ORDERS; FRUITS, VEGETABLES, NUTS), DEPARTMENT OF AGRICULTURE

[Valencia Orange Reg. 466, Amdt. 1]

PART 908—VALENCIA ORANGES GROWN IN ARIZONA AND DESIGNATED PART OF CALIFORNIA

Limitation of Handling

This regulation increases the quantity of California-Arizona Valencia oranges that may be shipped to fresh market during the weekly regulation period May 24–30, 1974. The quantity that may be shipped is increased due to improved market conditions for California-Arizona Valencia oranges. The regulation and this amendment are issued pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, and Marketing Order No. 908.

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 908, as amended (7 CFR Part 908), regulating the handling of Valencia oranges grown in Arizona and designated part of California, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674) and upon the basis of the recommendation and information submitted by the Valencia Orange Administrative Committee, established under the said amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of handling of such Valencia oranges, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) The need for an increase in the quantity of oranges available for handling during the current week results from changes that have taken place in the marketing situation since the issuance of Valencia Orange Regulation 466 (39 FR 18090). The marketing picture now indicates that there is a greater demand for Valencia oranges than existed when the regulation was made effective. Therefore, in order to provide an opportunity for handlers to handle a sufficient volume of Valencia oranges to fill the current demand thereby making a greater quantity of Valencia oranges available to meet such increased demand, the regulation should be amended, as hereinafter set forth.

(3) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this amendment until 30 days after publication thereof in the FEDERAL REGISTER (5 U.S.C. 553) because the time intervening between the date when information upon which this amendment is based became available and the time when this amendment must become effective in order to effectuate the declared policy of the act is insufficient, and this amendment relieves restriction on the handling of Valencia oranges grown in Arizona and designated part of California.

(b) *Order, as amended.* The provisions in paragraph (b)(1)(i), (ii), and (iii) of § 908.766 (Valencia Orange Regulation 466 (39 FR 18090)) are hereby amended to read as follows:

§ 908.766 Valencia Orange Regulation 466.

* * * * *

(b) (1) * * *

(i) District 1: 451,000 cartons;

(ii) District 2: 396,000 cartons;

(iii) District 3: 253,000 cartons.

* * * * *

(Secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674)

Dated: May 29, 1974.

CHARLES R. BRADER,
Deputy Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[FR Doc.74-12670 Filed 5-31-74;8:45 am]

CHAPTER XIV—COMMODITY CREDIT CORPORATION, DEPARTMENT OF AGRICULTURE

SUBCHAPTER B—LOANS, PURCHASES, AND OTHER OPERATIONS

PART 1427—COTTON

Subpart—1974 Crop Supplement to Cotton Loan Program Regulations

Correction

In FR Doc. 74–11383 appearing at page 17834 in the issue of Tuesday, May 21, 1974, make the following changes:

1. In the third column on page 17835:

a. Under the heading "Basis strict low middling white 1 1/16 *4134* loan rate", the ninth and tenth entries now reading "27.45 and 27.30" should read "27.40 and 27.35".

b. The fifteenth entry under the heading "County" should read "Sunflower".

2. In the table on page 17837:

a. The tenth entry under the heading "White", should read "SGO".

b. Under the heading "Light Spotted", the fourth entry should read "SLM".

c. Directly under the table, in the first line of the Grade Symbols, "CM" should read "GM".

Title 14—Aeronautics and Space

CHAPTER I—FEDERAL AVIATION ADMINISTRATION, DEPARTMENT OF TRANSPORTATION

[Airworthiness Docket No. 74–SW–25, Amdt. 39–1860]

PART 39—AIRWORTHINESS DIRECTIVES

Bell Model 204B and 205A–1 Helicopters

There has been one inflight failure of the tail rotor pitch change chain on a Model 205A–1 and there have been several reports of broken individual link segments in the chain on the Model 205A–1 and 204B helicopters. Failure of the tail rotor pitch change chain could result in possible loss of directional control of the helicopter. Since this condition is likely to exist or develop in other helicopters of the Model 204B and 205A–1 type design, an airworthiness directive is being issued to impose daily and 25 hour interval, repetitive inspections of the pitch change chains, P/N 205–001–721–1 and P/N 205–001–748–1.

As a matter of record all Model 205A helicopters have been converted to Model 205A–1 helicopters. Several of the early Model 205A helicopters were equipped with two pitch change chains, P/N 205–001–748–1 and 205–001–721–1, and later helicopters were equipped with only one chain, P/N 205–001–721–1. Both of these chains are subject to the same conditions. In addition Bell Model 205A–1 helicopters may be equipped with, or are presently delivered with Tail Rotor Hub and Blade Assembly, P/N 212–010–701, and a recent change in the rigging procedure for this tail rotor was published in Bell Service Bulletin No. 205–05–74–1. Therefore this service bulletin procedure is incorporated by reference in this AD.

Since a situation exists that requires immediate adoption of this regulation, it is found that notice and public procedure hereon are impracticable and good cause exists for making this amendment effective in less than 30 days.

In consideration of the foregoing, and pursuant to the authority delegated to me by the Administrator (31 FR 13697), § 39.13 of Part 39 of the Federal Aviation Regulations is amended by adding the following new airworthiness directive:

BELL. Applies to Bell Model 204B and 205A–1 Helicopters, Certificated in all categories

To detect cracks in the tail rotor pitch change link segments and to prevent possible failure of the tail rotor pitch change chains accomplish the following repetitive inspections on chains, P/N 205–001–721–1 and 205–001–748–1.

(a) Within five hours time in service after the effective date of this AD, unless already accomplished, and thereafter at intervals not to exceed 25 hours time in service from the last inspection, accomplish the following inspections:

(1) Remove the chain or chains from the helicopter in accordance with the applicable maintenance manual.

(2) Clean each chain with solvent and stiff bristle brush and air dry.

(3) Roll each chain into a tight flat disc and inspect the links' outer segments, both sides, for cracks using a light and a ten power or higher magnifying glass. Unroll the chain and with teeth up, inspect inner segments of the links at the radius between the teeth. Turn each chain over and inspect the opposite side of the link segments.

(4) Replace chains with cracked segments before further flight.

(5) Install chains with uncracked link segments in accordance with the pertinent maintenance manual and rig tail rotor controls in accordance with the pertinent maintenance manual. If 212–010–701 Tail Rotor Hub and Blade Assembly is installed on the Model 205A–1, rig the controls in accordance with the maintenance manual and as specified in Bell Helicopter Company Service Bulletin No. 205–05–74–1, dated March 1, 1974.

(b) Before the first flight of each day after the effective date of this A.D., accomplish the following reptitive inspections.

(1) Remove the cover from the chain assembly.

(2) Inspect each chain assembly for cracks in the link segments using a 3 power or higher magnifying glass. Particular attention

should be placed on the portion of each chain that travels over each sprocket and that extends three inches each side of this area or portion.

(3) Remove chains with cracked segments before further flight in accordance with the applicable maintenance manual.

(4) Install chains with uncracked segments in accordance with the applicable maintenance manual and rig the controls as specified in paragraph (a)(5) of this A.D.

The manufacturer's specifications and procedures identified and described in this directive are incorporated herein and made a part hereof pursuant to 5 U.S.C. 552(a)(1). All persons affected by this directive who have not already received these documents from the manufacturer may obtain copies upon request to the Service Manager, Bell Helicopter Company, P.O. Box 482, Fort Worth, Texas 76101. These documents may also be examined at the Office of the Regional Counsel, Southwest Region, FAA, 4400 Blue Mound Road, Fort Worth, Texas, and at FAA Headquarters, 800 Independence Avenue, SW., Washington, D.C. A historical file on this A.D. which includes the incorporated material in full is maintained by the FAA at its headquarters in Washington, D.C., and at the Southwest Regional Office in Fort Worth, Texas. (Bell telefax message dated May 10, 1974 pertains to this subject.)

This amendment becomes effective June 7, 1974.

(Secs. 313(a), 601, 603, Federal Aviation Act of 1958 (49 U.S.C. 1354(a), 1421, 1423); sec. 6(c), Department of Transportation Act (49 U.S.C. 1655(c)))

NOTE: The incorporation by reference provisions in this document were approved by the Director of the Federal Register on June 19, 1967.

Issued in Fort Worth, Tex., on May 24, 1974.

HENRY L. NEWMAN,
Director, Southwest Region.

[FR Doc.74-12583 Filed 5-31-74;8:45 am]

[Airworthiness Docket No. 74-WE-27-AD, Amdt. 39-1858]

PART 39—AIRWORTHINESS DIRECTIVES

McDonnell Douglas Model DC-8-61F, -62F, -63F Convertible Freighters

Pursuant to the authority delegated to me by the Administrator (31 FR 13697), an airworthiness directive was adopted May 10, 1974, and made effective immediately by telegram dated May 11, 1974, to all known United States operators or owners of McDonnell Douglas DC-8-61F, -62F, -63F convertible freighter airplanes. The airworthiness directive requires at or before the compliance times specified, inspection, test and/or deactivation of the passenger oxygen system and repairs or replacements as necessary. The telegraphic AD was required because inspection of several DC-8-61F/-62F/-63F convertible freighter aircraft has revealed that the passenger oxygen main supply piping supports are wearing and/or failing, permitting piping to rub on support bracket, Douglas P/N 3775154, wearing holes in these pipes.

Since it was found that immediate corrective action was required, notice and public procedure thereon was impracticable and contrary to the public interest and good cause existed for making the airworthiness directive effective immediately to all known operators or owners of McDonnell Douglas DC-8-61F, -62F, -63F convertible freighter aircraft, certificated in all categories. These conditions still exist and the airworthiness directive is hereby published in the FEDERAL REGISTER as an amendment to § 39.13 of Part 39 of the Federal Aviation Regulations to make it effective to all persons:

MCDONNELL DOUGLAS COMPANY. Applies to DC-8-61F, -62F, -63F Convertible Freighter Airplanes, Certificated in all Categories.

(1) For all aircraft in the passenger configuration, within twenty-four (24) hours of receipt of this telegram, or prior to further flight, whichever occurs later, unless already accomplished within the last 50 hours, perform the passenger oxygen system leak check per paragraph 1(a) DACO Alert Service Bulletin A35-25 Revision A dated May 10, 1974, or later FAA-approved revisions. If the oxygen system does not pass the leak check, inspect, repair and replace worn piping as required, and replace broken and missing supports prior to next flight; repeat leak test per DACO A.S.B. A35-25 Revision A, paragraph 1(a). At intervals not to exceed 50 flight hours visually inspect for worn oxygen piping, replace as necessary, and conduct the leak test per DACO A.S.B. A35-25 Revision A, paragraph 1(a) until the modifications described by DACO A.S.B. A35-25 Revision A, paragraph 1(b) have been accomplished. Within 300 hours time in service after initial leak check, secure all oxygen piping, per DACO A.S.B. A35-25 Revision A, paragraph 1(b).

(2) For aircraft in the full freighter configuration, prior to further flight after receipt of this telegram, close the oxygen hand shutoff valve on the passenger system and placard system inoperative until (1), above, is accomplished. Prior to conversion to passenger configuration, perform checks, repair, and modifications of (1) above. Paragraph 2, DACO A.S.B. A35-25 Revision A covers this subject."

This amendment becomes effective June 6, 1974, for all persons except those to whom it was made effective immediately by telegram dated May 11, 1974.

(Secs. 313(a), 601, 603, Federal Aviation Act of 1958 (49 U.S.C. 1354(a), 1421, 1423); sec. 6(c), Department of Transportation Act (49 U.S.C. 1655(c))

Issued in Los Angeles, Calif., on May 23, 1974.

ARVIN O. BASNIGHT,
Director, FAA Western Region.

[FR Doc.74-12584 Filed 5-31-74;8:45 am]

[Airspace Docket No. 74-AL-6]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, AREA LOW ROUTES, CONTROLLED AIRSPACE, AND REPORTING POINTS

Alteration of Control Zone and Transition Area

On April 10, 1974, a notice of proposed rulemaking was published in the FEDERAL REGISTER (39 FR 13006) stating that the Federal Aviation Administration proposed amendments to Part 71 of the Federal Aviation Regulations that would alter the Deadhorse, Alaska, terminal airspace structure.

Interested persons were afforded an opportunity to participate in the proposed rulemaking through the submission of comments. No comments were received which objected to the rule as proposed.

Therefore, in consideration of the foregoing, Part 71 of the Federal Aviation Regulations is amended effective 0901 G.m.t., July 18, 1974, as hereinafter set forth.

1. Section 71.171 (39 FR 354), Deadhorse, Alaska, control zone is amended to read:

DEADHORSE, ALASKA

Within a 5-mile radius of the Deadhorse airport (latitude 70°11'40" N., longitude 148°28'05" W.); within a 5-mile radius of the Prudhoe Bay airport (latitude 70°15'05" N., longitude 148°20'13" W.); within 3.5 miles each side of the Deadhorse VOR 255° radial extending from the 5-mile radius zone to 9.5 miles W of the VOR; within 3.5 miles each side of the Deadhorse VOR 081° radial extending from the 5-mile radius zone to 8.5 miles E of the VOR; within 3 miles each side of the Prudhoe Bay NDB 075° bearing extending from the 5-mile radius zone to 8.5 miles E of the NDB; and within 3 miles each side of the Prudhoe Bay NDB 259° bearing extending from the 5-mile radius zone to 8.5 miles W of the NDB.

2. Section 71.181 (39 FR 440), Deadhorse, Alaska, transition area is amended to read:

DEADHORSE, ALASKA

That airspace extending upward from 700 feet above the surface within 6.5 miles S and 9.5 miles N of the Deadhorse VOR 075° radial extending from the VOR to 20 miles E of the VOR; within 6.5 miles S and 10 miles N of the Deadhorse VOR 255° radial extending from the VOR to 25.5 miles W; and within a 16.5 mile radius of the Deadhorse VOR extending from the 099° radial clockwise to the 231° radial. That airspace extending upward from 1,200 feet above the surface within the area bounded by a line beginning at latitude 69°40'00" N., longitude 153°00'00" W.; to 70°33'00" N., 150°45'00" W.; thence east via 3 nautical miles offshore to latitude 70°14'00" N.; longitude 146°-00'00" W.; to 69°00'00" N., 148°00'00" W.; to 68°00'00" N., 148°00'00" W.; to 68°00'00" N., 153°00'00" W.; thence to point of beginning.

(Sec. 307(a), Federal Aviation Act of 1958 (49 U.S.C. 1348(a)); sec. 6(c), Department of Transportation Act (49 U.S.C. 1655(c))

Issued in Anchorage, Alaska, on May 23, 1974.

QUENTIN S. TAYLOR,
Acting Director, Alaskan Region.

[FR Doc.74-12585 Filed 5-31-74;8:45 am]

[Airspace Docket No. 74-AL-3]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, AREA LOW ROUTES, CONTROLLED AIRSPACE, AND REPORTING POINTS

Alteration of Control Zone and Transition Area

On March 28, 1974, a notice of proposed rulemaking was published in the

FEDERAL REGISTER (39 FR 11432) stating that the Federal Aviation Administration proposed amendments to Part 71 of the Federal Aviation Regulations that would alter the Fairbanks, Alaska, terminal airspace structure.

Interested persons were afforded an opportunity to participate in the proposed rulemaking through the submission of comments.

Comments received from the military users indicated a need to review the departure of criteria for Eielson AFB. In light of that reevaluation, is was determined that a 1-mile width increase on the northeast side of the proposed control zone extension would be beneficial to military users. This action would not result in any adverse effect upon other airspace users.

Therefore, in consideration of the foregoing, Part 71 of the Federal Aviation Regulations is amended effective 0901 G.m.t., July 18, 1974, as hereinafter set forth.

1. Section 71.171 (39 FR 354), Fairbanks, Alaska, control zone is amended to read:

FAIRBANKS, ALASKA (EIELSON AFB)

Within a 5-mile radius of Eielson AFB (latitude 64°39'55" N, longitude 147°05'55" W); within 2 miles each side of the Eielson localizer S course extending from the 5-mile radius zone to the Eielson outer marker; and within 2 miles SW and 3 miles NE of the Eielson Tacan 324° radial extending from the Eielson 5-mile radius zone to 6 miles NW of the Tacan.

FAIRBANKS, ALASKA (FAIRBANKS INTERNATIONAL/FORT WAINWRIGHT AAF)

Within a 5-mile radius of Fairbanks International Airport (latitude 64°49'09" N, longitude 147°51'14" W); within a 5-mile radius of Fort Wainwright AAF (latitude 64°50'13" N, longitude 147°36'52" W); within 2 miles each side of the Fairbanks localizer NE course, extending from the Fairbanks 5-mile radius zone to the outer marker; within 2 miles each side of the Fairbanks localizer SW course, extending from the Fairbanks 5-mile radius zone to 5 miles SW of the localizer antenna (latitude 64°48'11" N, longitude 147°53'01" W); and within 2 miles each side of the Fairbanks RR E course, extending from the Fort Wainwright 5-mile radius zone to 5 miles E of the RR.

2. Section 71.181 (39 FR 440), Fairbanks, Alaska, transition area is amended to read:

FAIRBANKS, ALASKA

That airspace extending upward from 700 feet above the surface within 9.5 miles W and 4.5 miles E of the Eielson localizer S course extending from the Eielson VOR to 18.5 miles S of the VOR; within 2 miles NW and 4.5 miles SE of the Fairbanks localizer NE course, extending from the Fairbanks outer marker to Fox RBN; within 4.5 miles SE and 9.5 miles NW of the Fairbanks localizer NE course extending from Fox RBN to 18.5 miles NE of the RBN; within 4.5 miles NW and 9.5 miles SE of the Fairbanks localizer SW course, extending from 5 miles SW of the localizer antenna (latitude 64° 48'11" N., longitude 147°53'01" W) to 18.5 miles SW of the localizer antenna; within 4.5 miles N and 9.5 miles S of the Fairbanks RR E course, extending from Fairbanks RR to 18.5 miles E of the RR; and that airspace extending upward from 1,200 feet above the surface beginning at latitude 68°00'00" N., longitude 153°00'00" W.; to 68°00'00" N., 144°00'00" W.; to 63°10'00" N., 144°00'00" W.; to 62°38'00" N., 145°41'00" W.; to 62°45'00" N., 148°48'00" W.; to 62°59'00" N., 150°15'00" W.; to 63°00'00" N., 151°10'00" W.; to 64°00'00" N., 153°00'00" W.; to point of beginning, excluding the portion within Restricted Areas R2202B and R2206.

(Sec. 307(a), Federal Aviation Act of 1958 (49 U.S.C. 1348(a)); sec. 6(c), Department of Transportation Act (49 U.S.C. 1655(c))

Issued in Anchorage, Alaska, on May 23, 1974.

QUENTIN S. TAYLOR,
Acting Director,
Alaskan Region.

[FR Doc.74-12586 Filed 5-31-74;8:45 am]

[Airspace Docket No. 73-EA-112]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, AREA LOW ROUTES, CONTROLLED AIRSPACE, AND REPORTING POINTS

Alteration of Control Zone

Correction

In FR Doc. 74-11574 appearing on page 17850 in the issue of Tuesday, May 21, 1974, in the third line from the bottom of the description of the Du Bois, Pa., control zone, "066°", should read "086°".

Title 24—Housing and Urban Development

CHAPTER X—FEDERAL INSURANCE ADMINISTRATION, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SUBCHAPTER B—NATIONAL FLOOD INSURANCE PROGRAM

[Docket No. FI-276]

PART 1914—AREAS ELIGIBLE FOR THE SALE OF INSURANCE

Status of Participating Communities

Section 1914.4 of Part 1914 of Subchapter B of Chapter X of Title 24 of the Code of Federal Regulations is amended by adding in alphabetical sequence a new entry to the table. In this entry, a complete chronology of effective dates appears for each listed community. Each date appearing in the last column of the table is followed by a designation which indicates whether the date signifies the effective date of the authorization of the sale of flood insurance in the area under the emergency or the regular flood insurance program. The entry reads as follows:

§ 1914.4 **Status of participating communities.**

* * * * * * *

State	County	Location	Hazard area identified	State map repository	Local map repository	Effective date of authorization of sale of flood insurance for area
*	*	*	*	*	*	*
Colorado	Fremont	Canon City, city of.	May 24, 1974			May 28, 1974, Emergency.
Delaware	Sussex	Millsboro, town of				Do.
Do	do	Slaughter Beach, city of.				Do.
Do	New Castle	Newport, town of				Do.
Florida	Volusia	Ponce Inlet, town of.				Do.
Do	Orange	Winter Park, city of.				Do.
Do	Pinellas	Seminole, city of				Do.
Idaho	Blaine	Hailey, city of	Dec. 7, 1973			Do.
Illinois	Madison	Roxana, village of				Do.
Maryland	Prince Georges	Berwyn Heights, town of.				Do.
Minnesota	Carlton	Moose Lake, city of.				Do.
New Jersey	Monmouth	Allentown, borough of.	Dec. 28, 1973			Do.
Do	Salem	Elsinboro, township of.				Do.
Tennessee	Sumner	Hendersonville, city of.				Do.
Texas	Dallas	Lancaster, city of				Do.
Utah	Salt Lake	Salt Lake City, city of.				Do.

(National Flood Insurance Act of 1968 (title XIII of the Housing and Urban Development Act of 1968), effective Jan. 28, 1969 (33 FR 17804, Nov. 28, 1968), as amended (secs. 408-410, Pub. L. 91-152, Dec. 24, 1969) (42 U.S.C. 4001-4127); and Secretary's delegation of authority to Federal Insurance Administrator, 34 FR 2680, Feb. 27, 1969)

Issued: May 21, 1974.

GEORGE K. BERNSTEIN,
Federal Insurance Administrator.

[FR Doc.74-12373 Filed 5-31-74;8:45 am]

[Docket No. FI-277]

PART 1914—AREAS ELIGIBLE FOR THE SALE OF INSURANCE

Status of Participating Communities

Section 1914.4 of Part 1914 of Subchapter B of Chapter X of Title 24 of the Code of Federal Regulations is amended by adding in alphabetical sequence a new entry to the table. In this entry, a complete chronology of effective dates appears for each listed community. Each date appearing in the last column of the table is followed by a designation which indicates whether the date signifies the effective date of the authorization of the sale of flood insurance in the area under the emergency or the regular flood insurance program. The entry reads as follows:

§ 1914.4 Status of participating communities.

* * * * * * *

State	County	Location	Effective date of authorization of sale of flood insurance for area	Hazard area identified	State map repository	Local map repository
*	*	*	*	*	*	*
Colorado	Boulder	Lyons, town of	May 29, 1974 emergency.	Dec. 28, 1973		
Connecticut	Hartford	Plainville, town of	do	May 31, 1974		
Florida	Seminole	Unincoprorated areas	do			
Missouri	Jasper	Sarcoxie, city of	do	May 17, 1974		
Texas	Calhoun	Unincorporated areas	June 19, 1970, Emergency. Mar. 19, 1971, Regular. Sept. 15, 1972, Suspension. May 23, 1974, Reinstated.	June 16, 1970		
Washington	King	Auburn, city of	May 29, 1974. Emergency.	May 24, 1974		
Do	Okanogan	Winthrop, town of	do			

(National Flood Insurance Act of 1968 (title XIII of the Housing and Urban Development Act of 1968), effective Jan. 28, 1969 (33 FR 17804, Nov. 28, 1968), as amended (secs. 408–410, Pub. L. 91–152, Dec. 24, 1969) (42 U.S.C. 4001–4127); and Secretary's delegation of authority to Federal Insurance Administrator, 34 FR 2680, Feb. 27, 1969)

Issued: May 22, 1974.

GEORGE K. BERNSTEIN,
Federal Insurance Administrator.

[FR Doc.74-12374 Filed 5-31-74;8:45 am]

[Docket No. FI-278]

PART 1914—AREAS ELIGIBLE FOR THE SALE OF INSURANCE

Status of Participating Communities

Section 1914.4 of Part 1914 of Subchapter B of Chapter X of Title 24 of the Code of Federal Regulations is amended by adding in alphabetical sequence a new entry to the table. In this entry, a complete chronology of effective dates appears for each listed community. Each date appearing in the last column of the table is followed by a designation which indicates whether the date signifies the effective date of the authorization of the sale of flood insurance in the area under the emergency or the regular flood insurance program. The entry reads as follows:

§ 1914.4 Status of participating communities.

* * * * * * *

State	County	Location	Effective date of authorization of sale of flood insurance for area	Hazard area identified	State map repository	Local map repository
*	*	*	*	*	*	*
California	Los Angeles	Hidden Hills, city of	May 24, 1974. Emergency.	May 24, 1974		
Illinois	Lake	Zion, city of	do	Mar. 29, 1974		
Indiana	Allen	Fort Wayne, city of	do	Feb. 15, 1974		
Iowa	Dubuque	Unincorporated areas	do			
Michigan	Genesee	Gaines, village of	do			
Minnesota	Fillmore	Rushford, city of	do	Feb. 8, 1974		
Do	Marshall	Grygla, city of	do			
Do	Murray	Unincorporated areas	do			
Missouri	Gasconade	Hermann, city of	Aug. 31, 1971. Emergency. Dec. 31, 1971. Suspension. May 20, 1974. Reinstated.	May 3, 1974		
New York	Herkimer	Ilion, village of	May 24, 1974. Emergency.	Feb. 8, 1974		
Pennsylvania	Lancaster	Ephrata, township of	May 20, 1974. Emergency.			
South Dakota	Beadle	Huron, city of	May 24, 1974. Emergency.			
Tennessee	Monroe	Sweetwater, city of	do	Feb. 15, 1974		
Do	Humphreys	Waverly, town of	do	do		

(National Flood Insurance Act of 1968 (title XIII of the Housing and Urban Development Act of 1968), effective Jan. 28, 1969 (33 FR 17804, Nov. 28, 1968), as amended (secs. 408-410, Pub. L. 91-152, Dec. 24, 1969) (42 U.S.C. 4001-4127); and Secretary's delegation of authority to Federal Insurance Administrator, 34 FR 2680, Feb. 27, 1969)

Issued: May 20, 1974.

GEORGE K. BERNSTEIN,
Federal Insurance Administrator.

[FR Doc.74-12375 Filed 5-31-74;8:45 am]

[Docket No. FI-279]

PART 1915—IDENTIFICATION OF SPECIAL HAZARD AREAS

List of Communities With Special Hazard Areas

The Federal Insurance Administrator finds that comment and public procedure and the use of delayed effective dates in identifying the areas of communities which have special flood or mudslide hazards, in accordance with 24 CFR Part 1915, would be contrary to the public interest. The purpose of such identifications is to guide new development away from areas threatened by flooding. Since this publication is merely for the purpose of informing the public of the location of areas of special flood hazard and has no binding effect on the sale of flood insurance or the commencement of construction, notice and public procedure are impracticable, unnecessary, and contrary to the public interest. Inasmuch as this publication is not a substantive rule, the identification of special hazard areas shall be effective on the date shown. Accordingly, § 1915.3 is amended by adding in alphabetical sequence a new entry to the table, which entry reads as follows:

§ 1915.3 List of communities with special hazard areas.

* * * * * * *

State	County	Location	Map No.	State map repository	Local map repository	Effective date of identification of areas which have special flood hazards
*	*	*	*	*	*	*
Alabama	Baldwin	Fairhope, city of	H 01 0006 01 through H 01 0006 08	Alabama Development Office, Office of State Planning, State Office Bldg., 501 Dexter Ave., Montgomery, Ala. 36104. Alabama Insurance Department, Room 453, Administrative Bldg., Montgomery, Ala. 36104.	Mrs. Marie Moore, City Clerk, City Clerk's Office, City Hall, Fairhope, Ala. 36532.	May 24, 1974.
Do	do	Loxley, town of	H 01 0009 01	do	Mayor, Town Hall, P.O. Box 57, Loxley, Ala. 36551.	Do.
Do	Dale	Ozark, city of	H 01 0062 01 through H 01 0062 06	do	Mayor, City Hall, Ozark, Ala. 36360	Do.
Do	Geneva	Slocomb, town of	H 01 0089 01 through H 01 0089 04	do	Mayor, Slocomb, Ala. 36375	Do.
Do	Jefferson	Fultondale, city of.	H 01 0121 01 through H 01 0121 04	do	Mayor, City Hall, Fultondale, Ala. 35068.	Do.
Do	Mobile	Saraland, city of	H 01 0171 01 through H 01 0171 03	do	Mayor, City Hall, Saraland, Ala. 36751.	Do.
Do	St. Clair	Odenville, town of.	H 01 0188 01	do	Mayor, Odenville, Ala. 35120.	Do.
Do	do	Ragland, town of	H 01 0190 01 through H 01 0190 08	do	Mayor, First Ave., Ragland, Ala. 35131.	Do.
Do	Shelby	Alabaster, town of.	H 01 0192 01 through H 01 0192 02	do	Mayor, Box 277, City Hall, Alabaster, Ala. 35007.	Do.
Do	Jackson	Scottsboro, city of.	H 01 071 2720 01 through H 01 071 2720 08	do	Mayor, City Hall, Scottsboro, Ala. 35768.	May 10, 1974.
Do	Madison	Huntsville, city of.	H 01 089 1730 01 through H 01 089 1730 25	do	City Planner's Office, 5th floor, Municipal Bldg., Fountain Row, Huntsville, Ala. 35801.	May 24, 1974.
Do	Morgan	Decatur, city of	H 01 103 0890 01 through H 01 103 0890 32	do	Building Department, City Hall, 402 Lee St. NE., Decatur, Ala. 35601.	Do.
Do	do	Falkville, town of	H 01 103 1130 01 through H 01 103 1130 09	do	Mayor, City Hall, Falkville, Ala. 35622.	Do.
Alaska	Gateway Borough.	Ketchikan, city of.	H 02 130 1250 01 through H 02 130 1250 03	Department of Community and Regional Affairs, Division of Community Research and Planning, Pouch B, Juneau, Alaska 99801. Alaska Division of Insurance, Room 410, Goldstein Bldg., Pouch D, Juneau, Alaska 99801.	Mayor, P.O. Box 1110, Ketchikan, Alaska 99901.	Do.
Arizona	Apache	Springerville, town of.	H 04 001 0470 01 through H 04 001 0470 02	Arizona State Land Department, 1624 West Adams, Room 400, Phoenix, Ariz. 85007. Arizona Department of Insurance, P.O. Box 7098, 718 West Glenrosa, Phoenix, Ariz. 85011.	Mayor, City Hall, Springerville, Ariz. 85938.	Do.
Do	Cochise	Willcox, city of	H 04 0018 01 through H 04 0018 03	do	City Hall, 151 West Maley St., Willcox, Ariz. 85643.	Do.
Do	Gila	Globe, city of	H 04 0029 01 through H 04 0029 07	do	Mayor, city of Globe, 150 North Pine, St., Globe, Ariz. 85501.	Do.
Do	Cochise	Sierra Vista, city of.	H 04 003 0431 01 through H 04 003 0431 03	do	Mayor, City Hall, Sierra Vista, Ariz. 85635.	May 10, 1974.
Do	Santa Cruz	Nogales, city of	H 04 0091 01	do	Mayor, City Hall, 223 Grand Ave., Nogales, Ariz. 85621.	May 24, 1974.
Do	Graham	Pima, town of	H 04 009 0380 02	do	Mayor, Municipal Bldg., Pima, Ariz. 85543.	Do.
Do	Yuma	Parker, town of	H 04 027 0340	do	Mayor, City Hall, Parker, Ariz. 85344	May 17, 1974.
Arkansas	Benton	Rogers, city of	H 05 007 3390 01 through H 05 007 3390 07	Division of Soil and Water Resources, State Department of Commerce, 1920 West Capitol Ave., Little Rock, Ark. 72201. Arkansas Insurance Department, 400 University Tower Bldg., Little Rock, Ark. 72204.	Mayor, mayor of Rogers, Rogers, Ark. 72756.	May 24, 1974.
Do	Miller	Texarkana, city of.	H 05 0137 01 through H 05 0137 05	do	City Inspection, Municipal Bldg., City Hall, Department of Public Works, Texarkana, Ark. 75501.	Do.

State	County	Location	Map No.	State map repository	Local map repository	Effective date of identification of areas which have special flood hazards
Do	Ouachita	East Camden, town of.	H 050164 01	do	Mayor, 108 Busbee, East Camden, Ariz. 71701.	Do.
Do	Craighead	Lake City, town of.	H 05 031 2190 01	do	Mayor, Lake City, Ariz. 72437	Do.
Do	Dallas	Fordyce, city of	H 05 039 1340 02	do	Mayor, City Hall, Fordyce, Ariz. 71742.	Do.
Do	Mississippi	Leachville, city of.	H 05 093 2240 01	do	Mayor, Leachville, Ariz. 72438.	Do.
Do	Union	Huttig, town of	H 05 139 2000 01	do	Mayor, City Hall, Huttig, Ariz. 71747	Do.
California	Contra Costa	Pleasant Hill, city of.	H 06 00034 01 through H 06 00034 07	Department of Water Resources, P.O. Box 388, Sacramento, Calif. 95802. California Insurance Department, 107 South Broadway, Los Angeles, Calif. 90012.	City Hall, 3300 North Main St., Pleasant Hill, Calif. 94523.	Do.
Do	Alameda	Alameda, city of	H 06 001 0010 01 through H 06 001 0010 08	do	Mayor, Santa Clara and Oak Sts., Alameda, Calif. 94612.	Do.
Do	Fresno	Selma, city of	H 06 0056 01	do	Mayor, City Hall, 1814 Tucker, Selma, Calif. 93662.	Do.
Do	Amador	Ione, city of	H 06 0016 01 through H 06 0016 02	do	Mayor, City Hall, Ione, Calif. 95640	Do.
Do	Butte	Gridley, city of	H 06 0019 01 through H 06 0019 02	do	Mayor, City Hall, 685 Kentucky St., Gridley, Calif. 95948.	Do.
Do	Fresno	Kingsburg, city of.	H 06 0050 01	do	Mayor, City Hall, 1401 Draper St., Kingsburg, Calif. 93631.	Do.
Do	Humboldt	Eureka, city of	H 06 0062 01 through H 06 0062 04	do	Mayor, City Hall, 531 K St., Eureka, Calif. 95501.	Do.
Do	Los Angeles	Hidden Hills, city of.	H 06 0125 01	do	Mayor, City Hall, 24549 Long Valley Rd., Hidden Hills, Calif. 91302.	Do.
Do	Contra Costa	Pinole, city of	H 06 013 2770 01 through H 06 013 2770 02	do	Mayor, City Hall, 2131 Pear St., Pinole, Calif. 94564.	Do.
Do	Monterey	Gonzales, city of	H 06 0198 01	do	Mayor, City of Gonzales, Gonzales, Calif. 93926.	Do.
Do	Orange	Brea, city of	H 06 0214 01 through H 06 0214 05	do	Mayor, City Hall, 401 South Brea Blvd., Brea, Calif. 92621.	Do.
Do	Humboldt	Rio Dell, city of	H 06 023 3030 01	do	Mayor, City Hall, Rio Dell, Calif. 95562.	Do.
Do	Placer	Lincoln, city of	H 06 0241 01	do	Mayor, City Hall, 517 G. St., Lincoln, Calif. 95648.	Do.
Do	Kern	Delano, city of	H 06 029 1000 01 through H 06 029 1000 02	do	Mayor, City Hall, 4122 Jefferson St., Delano, Calif. 93215.	Do.
Do	San Diego	San Marcos, city of.	H 06 0296 01 through H 06 0296 06	do	City of San Marcos, 105 West Richmar, P.O. Box 127, San Marcos, Calif. 92069.	Do.
Do	San Mateo	Brisbane, city of	H 06 0314 01 through H 06 0314 03	do	City Hall, 44 Visitation Ave., Brisbane, Calif. 94005.	Do.
Do	Santa Clara	Los Altos Hills, town of.	H 06 0341 01 through H 06 0341 03	do	Town Hall, 26379 Fremont Rd., Los Altos Hills, Calif. 94022.	Do.
Do	do	Monte Sereno, city of.	H 06 0345 01 through H 06 0345 02	do	Mayor, 18041 Saratoga-Los Gatos Rd., Monte Sereno, Calif. 95030.	Do.
Do	Stanislaus	Turlock, city of	H 06 0392 01 through H 06 0392 03		Mayor, City Hall, 900 North Palm, Turlock, Calif. 95380.	Do.
Do	do	Waterford, city of	H 06 0393 01 through H 06 0393 02	do	Mayor, City Hall, 320 E St., Waterford, Calif. 95386.	Do.
Do	Tehama	Corning, city of	H 06 0398 01	do	Mayor, City Hall, 3d and Solano Sts., Corning, Calif. 96021.	Do.
Do	Los Angeles	Claremont, city of.	H 06 037 0720 01 through H 06 037 0720 03	do	Mayor, city of Claremont, Claremont, Calif. 91711.	Do.
Do	Stanislaus	Hughson, city of	H 06 0386 01	do	Mayor, city of Hughson, P.O. Box 897, Hughson, Calif. 95326.	Do.
Do	Mendocino	Fort Bragg, city of	H 06 045 1320 01 through H 06 045 1320 03	do	Mayor, City Hall, 416 Franklin St., Fort Bragg, Calif. 95437.	May 10, 1974.
Do	Riverside	Desert Hot Springs, city of.	H 06 065 1003 01 through H 06 065 1003 04	do	Mayor, City Hall, 9900 Palm Dr., Desert Hot Springs, Calif. 92240.	May 24, 1974.
Do	do	Hemet, city of	H 06 065 1580 01 through H 06 065 1580 04	do	Mayor, City Offices, 450 East Latham Ave., Hemet, Calif. 92343.	Do.
Do	Sacramento	Folsom, city of	H 06 067 1300 01 through H 06 067 1300 06	do	Mayor, Folsom, Calif. 95630	Do.
Do	Siskiyou	Dunsmuir, city of	H 06 093 1050 01 through H 06 093 1050 02	do	Mayor, City Hall, Cedar St. and Dunsmuir Ave., Dunsmuir, Calif. 96097.	Do.
Do	Riverside	Corona, city of	H 06 065 0850 01 through H 06 065 0850 19	do	Mayor, City Hall, 815 West 6th St., Corona, Calif. 91720.	Do.
Do	Stanislaus	Riverbank, city of.	H 06 099 3060 01	do	Mayor, City Hall, 6707 3d St., Riverbank, Calif. 95367.	May 10, 1974.
Do	Ventura	Santa Paula, city of.	H 06 111 3480 01 through H 06 111 3480 03	do	Mayor, Santa Paula, Calif. 93060	May 24, 1974.
Do	Imperial	Westmorland, city of.	H 06 125 4150 01	do	Mayor, City Hall, South Center St., Westmorland, Calif. 92281.	Do.

State	County	Location	Map No.	State map repository	Local map repository	Effective date of identification of areas which have special flood hazards
Colorado	Alamosa	Alamosa, city of	H 08 0010 01 through H 08 0010 02	Colorado Water Conservation Board, Room 102, 1845 Sherman St., Denver, Colo. 80203. Colorado Division of Insurance, 106 State Office Bldg., Denver, Colo. 80203.	Alamosa City Hall, 425 4th St., Alamosa, Colo. 81101.	Do.
Do	Boulder	Lafayette, city of	H 08 0026 01 through H 08 0026 02	do	Mayor, City Hall, Lafayette, Colo. 80026.	Do.
Do	Dolores	Dove Creek, town of.	H 08 0047 01	do	Mayor, Dove Creek, Colo. 81324	Do.
Do	El Paso	Monument, town of.	H 08 0064 01	do	Mayor, Monument, Colo. 80132	Do.
Do	Fremont	Canon City, city of.	H 08 0068 01 through H 08 0068 02	do	Mayor, City Hall, Canon City, 81212	Do.
Do	Montrose	Nucla, town of	H 08 0127 01	do	Mayor, Nucla, Colo. 81424	Do.
Do	Otero	Manzanola, town of.	H 08 0134 01	do	Mayor, City Hall, Manzanola, Colo. 81058.	Do.
Do	Routt	Yampa, town of	H 08 0160 01	do	Mayor, Town Hall, Yampa, Colo. 80483.	Do.
Do	Sedgwick	Julesburg, town of.	H 08 0169 01 through H 08 0169 03	do	Town Manager, Julesburg, Colo. 80737	Do.
Do	Summit	Breckenridge, town of.	H 08 0172 01	do	City Administrator, City Hall, Breckenridge, Colo. 80424.	Do.
Do	Washington	Otis, town of	H 08 0178 01	do	Mayor, Town Hall, Otis, Colo. 80743	Do.
Do	Costilla	San Luis, town of	H 08 023 2230 01	do	Mayor, Town Hall, San Luis, Colo. 81152.	Do.
Do	Delta	Delta, city of	H 08 029 0590 01	do	City Manager, City Hall, Delta, Colo. 81416.	Do.
Do	do	Paonia, town of	H 08 029 1950 01	do	Mayor, City Hall, Paonia, Colo. 81428.	Do.
Do	Ouray	Ouray, city of	H 08 091 1890 01	do	Mayor, Ouray, Colo. 81427	Do.
Connecticut	Fairfield	Shelton, city of	H 09 001 0650 01 through H 09 001 0650 10	Department of Environmental Protection, Division of Water and Related Resources, Room 207, State Office Bldg., Hartford, Conn. 06115. Connecticut Insurance Department, State Capitol Bldg., 165 Capitol Ave., Hartford, Conn. 06115.	Shelton Municipal Bldg., 40 White St., Shelton, Conn. 06484.	Do.
Do	Hartford	Manchester, town of.	H 09 003 0365 01 through H 09 003 0365 11	do	Mayor, town of Manchester, Manchester, Conn. 06040.	Do.
Do	Martin	New Britain, city of.	H 09 003 0420 01 through H 09 003 0420 04	do	City of New Britain, 27 West Main St., New Britain, Conn. 06051.	Do.
Do	New Haven	North Haven, town of.	H 09 009 0502 01 through H 09 009 0502 08	do	North Haven Memorial, Town Hall, 18 Church St., North Haven, Conn. 06473.	Do.
Delaware	Kent	Camden, town of	H 10 001 0070 01	Division of Soil and Water Conservation, Department of Natural Resources and Environmental Control, Tatnall Bldg., Capital Complex, Dover, Del. 19901. Delaware Insurance Department, 21 The Green, Dover, Del. 19901.	President, Town Council, City Hall, Camden, Del. 19934.	Do.
Do	do	Milford, city of	H 10 001 0320 01 through H 10 001 0320 02.	do	Mayor, City Hall, Milford, Del. 19963	Do.
Do	do	Wyoming, town of	H 00 001 0500 01	do	President, Town Council, Wyoming, Del. 19934.	Do.
Do	Sussex	Greenwood, town of.	H 10 005 0210 01 through H 10 005 0210 02.	do	Mayor, Greenwood, Del. 19950	Do.
Florida	Calhoun	Blountstown, city of.	H 12 0060 01	Department of Community Affairs, 2571 Executive Center Circle East, Howard Bldg., Tallahassee, Fla. 32301. State of Florida Insurance Department, Treasurer's Office, The Capitol, Tallahassee, Fla. 32304.	City Manager, 125 West Central Ave., Blountstown, Fla. 32424.	Do.
Do	Madison	Madison, city of	H 12 0152 01	do	City Manager, City Hall, Madison, Fla. 32340.	Do.
Do	Martin	Jupiter Island, town of.	H 12 0162 01 through H 12 0162 04.	do	Town Manager, town of Jupiter Island, Hobe Sound, Fla. 33455.	Do.
Do	Martin	Stuart, city of	H 12 0165 01 through H 12 0165 04	do	Building Inspector, Building Official, City Hall, Stuart, Fla. 33494.	Do.
Do	Santa Rosa	Milton, city of	H 12 0276 01 through H 12 0276 02	do	Mayor, city of Milton Florida, Milton, Fla. 32570.	Do.
Do	Lucie	Fort Pierce, city of.	H 12 0286 01 through H 12 0286 07	do	Director of Engineering, City Hall Annex, 315 Avenue A, P.O. Box 1480, Fort Pierce, Fla. 33450.	Do.
Georgia	Bibb	Macon, city of	H 13 0011 01 through H 13 0011 17	Department of Natural Resources, Office of Planning and Research, 270 Washington St. SW., Room 707, Atlanta, Ga. 30334. Georgia Insurance Department, State Capitol, Atlanta, Ga. 30334.	Macon-Bibb County Planning and Zoning Commission, P.O. Box 247, Macon, Ga. 31202.	Do.
Do	Clayton	Jonesboro, city of	H 13 0043 01 through H 13 0043 02	do	Mayor City Hall, Jonesboro, Ga. 30236.	Do.
Do	do	Morrow, city of	H 13 0045 01 through H 13 0045 02	do	Mayor, City Hall, 5347 Jonesboro Rd., Morrow, Ga. 30260.	Do.
Do	Franklin	Carnesville, city of.	H 13 0082 01	do	Mayor, City Hall, Carnesville, Ga. 30521.	Do.
Do	Glynn	Brunswick, city of.	H 13 0093 01 through H 13 0093 09	do	City of Brunswick, Engineering Department, Brunswick, Ga. 31520.	Do.

State	County	Location	Map No.	State map repository	Local map repository	Effective date of identification of areas which have special flood hazards
Do	Gwinnett	Duluth, city of	H 13 0098 01 through H 13 0098 02	do	Mayor, City Hall, Duluth, Ga. 30136	Do.
Do	do	Norcross, city of	H 13 0101 01 through H 13 0101 02	do	Mayor, City Hall, Norcross, Ga. 30071	Do.
Do	Rabun	Clayton, town of	H 13 0157 01 through H 13 1157 02	do	Rabun County Commissioners, Courthouse, Clayton, Ga. 30525.	Do.
Do	Richmond	Augusta, city of	H 13 0159 01 through H 13 0159 12	do	Mayor, city of Augusta, Augusta, Ga. 30901.	Do.
Do	Ware	Waycross, city of	H 13 0186 01 through H 13 0186 04	do	Waycross City Hall, P.O. Box 198, Waycross, Ga. 31501.	Do.
Do	Decatur	Bainbridge, city of.	H 13 0204 01 through H 13 0204 08	do	Mayor, City Hall, Bainbridge, Ga. 31717.	Do.
Do	Carroll	Carrollton, city of.	H 13 0208 01 through H 13 0208 05	do	City Hall Bldg., City Hall Ave., Carrollton, Ga. 30117.	Do.
Do	Troup	Hogansville, city of.	H 13 285 2760 01	do	Mayor, City Hall, Hogansville, Ga. 30230.	Do.
Idaho	Oneida	Malad City, city of.	H 16 0106 01	Dept. of Water Administration, State House—Annex 2, Boise, Idaho 83707. Idaho Dept. of Insurance, Rm. 206—Statehouse, Boise, Idaho 83707.	Mayor of Malad City, City Hall, Malad, Idaho 83252.	Do.
Do	Power	American Falls, city of.	H 16 0109 01	do	Mayor, City Hall, American Falls, Idaho 83211.	Do.
Do	Cassia	Burley, city of	H 16 031 0200 01 through H 16 31 0200 02	do	Chairman, Burley City Planning and Zoning Commission, City Bld ., Burley, Idaho 83318.	Do.
Illinois	Adams	Quincy, city of	H 17 0003 01 through H 17 0003 06	Governor's Task Force on Flood Control, P.O. Box 475, Lisle, Ill. 60532. Illinois Insurance Department, 509 State Office Bldg., Springfield, Ill. 62702.	City Engineer's Office, City Hall, 507 Vermont St., Quincy, Ill. 62301.	Do.
Do	Bureau	DePue, village of	H 17 0012 01	do	Mayor, City Hall, DePue, Ill. 61332.	Do.
Do	De Witt	Clinton, city of	H 17 0193 01	do	Mayor, City Hall, Clinton, Ill. 61727.	Do.
Do	Du Page	Warrenville, city of.	H 17 0218 01 through H 17 0218 02	do	Mayor, 28 West 630 Stafford St., Warrenville, Ill. 60555.	Do.
Do	Clinton	New Baden, village of.	H 17 027 6060 01	do	Mayor, City Hall, New Baden, Ill. 62265.	Do.
Do	Cook	Tinley Park, village of.	H 17 031 8620 0 through H 17 031 8620 02	do	President, Village Hall, 6825 West 173d Pl., Tinley Park, Ill. 60477.	May 10, 1974.
Do	Lake	Gurnee, village of	H 17 0365 01 through H 17 0365 03	do	Mayor, 4573 Grand Ave., Gurnee, Ill. 60031.	May 24, 1974.
Do	La Salle	Oglesby, city of	H 17 0404 01	do	Mayor, City Hall, Oglesby, Ill. 61348	Do.
Do	Livingston	Fairbury, city of	H 17 0424 01	do	Mayor, City Hall, Fairbury, Ill.61739	Do.
Do	Macon	Decatur, city of	H 17 0429 01 through H 17 0429 07	do	City Council, 707 East Wood, Decatur, Ill. 62523.	Do.
Do	Madison	Collinsville, city of.	H 17 0439 01 through H 17 0439 04	do	Office of the City Clerk, 125 South Center St., Collinsville, Ill. 62234.	Do.
Do	McHenry	Harvard, city of	H 17 0479 01	do	Mayor, Harvard, Ill. 60033	Do.
Do	Montgomery	Hillsboro, city of	H 17 0513 01	do	Mayor, City Hall, Hillsboro, Ill. 62049	Do.
Do	Peoria	Peoria, city of	H 17 0536 1 through H 17 0536 14	do	Mayor, City Hall, Peoria, Ill. 61602	Do.
Do	Sangamon	Pawnee, village of	H 17 0602 01	do	Mayor, Pawnee, Ill. 62558	Do.
Do	Tazewell	Delavan, city of	H 17 0648 01	do	Mayor and City Council, Delavan, Ill. 61734.	Do.
Do	Warren	Kirkwood, village of.	H 17 0675 01	do	Mayor, Kirkwood, Ill. 61447	Do.
Do	do	Roseville, village of.	H 17 0677 01	do	Mayor, City Hall, Roseville, Ill. 61473	Do.
Do	Woodford	Washburn, village of.	H 17 0728 01	do	Mayor, City Bldg., Washburn, Ill. 61570.	Do.
Do	Lake	Kildeer, village of.	H 17 097 4472 02	do	President, Route No. 2, Box 639, Buffalo Run, Long Grove, Ill. 60047.	May 17, 1974.
Do	Lee	Nelson, village of	H 17 103 6014 01	do	Mayor, Village Hall, Nelson, Ill. 61058.	May 24, 1974.
Do	Will	New Lenox, village of.	H 17 197 6140 02	do	Mayor, village of New Lenox, New Lenox, Ill. 60451.	Do.
Indiana	Carroll	Flora, town of	H 18 0021 01	Division of Water, Department of Natural Resources, 608 State Office Bldg., Indianapolis, Ind. 46204. Indiana Insurance Department, 509 State Office Bldg., Indianapolis, Ind. 46204.	Chairman, Flora Town Board, Flora, Ind. 46929.	Do.
Do	Elkhart	Nappanee, city of.	H 18 0059 01 through H 18 0059 02	do	Mayor, City Bldg., Nappanee, Ind. 46550.	Do.
Do	Grant	Fairmount, town of.	H 18 0074 01	do	President of Town Board, Town Hall, Fairmount, Ind. 46928.	Do.
Do	Hamilton	Noblesville, city of.	H 18 0082 01 through H 18 0082 03	do	Chairman, City Council, Noblesville, Ind. 46060.	Do.
Do	Madison	Summitville, town of.	H 18 0157 01	do	Town Board, Town Hall, Summitville, Ind. 46070.	Do.
Do	Montgomery	Ladoga, town of	H 18 0172 01	do	Chairman, Town Board, 206 West Main, Ladoga, Ind. 47954.	Do.
Do	do	Waveland, town of.	H 18 0174 01	do	Chairman, Town Board, 404 East Green, Waveland, Ind. 47989.	Do.
Do	Newton	Kentland, town of.	H 18 0182 01	do	Town Board, Town Hall, Kentland, Ind. 47951.	Do.
Do	Randolph	Union City, city of.	H 18 0219 01	do	Major, City Bldg., 115 North Columbia St., Union City, Ind. 47390.	Do.

State	County	Location	Map No.	State map repository	Local map repository	Effective date of identification of areas which have special flood hazards
*	*	*	*	*	*	*
Do	Tippecanoe	Battle Ground, city of.	H 18 0252 01	do	Chairman, Town Board, City Bldg., Battle Ground, Ind. 47920.	Do.
Do	Wabash	Lagro, town of	H 18 0268 01	do	Director, Wabash County Plan Commission; Town of Lagro, Courthouse, Wabash, Ind. 46992.	Do.
Iowa	Butler	Dumont, town of	H 19 0036 01 through H 19 0036 02	Iowa Natural Resources Council, James W. Grimes Bldg., Des Moines, Iowa 50319. Iowa Insurance Department, Lucas State Office Bldg., Des Moines, Iowa 50319.	Major, City Hall, Dumont, Iowa 50625.	Do.
Do	Cerro Gordo	Clear Lake, city of.	H 19 0059 01 through H 19 0059 04	do	Mayor, City Hall, Clear Lake Iowa 50428.	Do.
Do	Fremont	Hamburg, city of	H 19 0133 01	do	City Hall, Hamburg, Iowa 51640	Do.
Do	Woodbury	Sloan, town of	H 19 0299 01	do	Mayor, City Hall, Sloan, Iowa 51055	Do.
Do	Chickasaw	Nashua, town of	H 19 037 5950 01 through H 19 037 5950 02	do	Mayor, City Hall, Nashua, Iowa 50658.	Do.
Do	Crawford	Denison, city of	H 19 047 2230 01 through H 19 047 2230 03	do	Enforcing Officer, City Hall, Denison, Iowa 51442.	May 10, 1974.
Do	Polk	Urbandale, city of.	H 19 153 8550 01 through H 19 153 8550 06	do	Mayor, 3315 70th, Urbandale, Iowa 50322.	May 24, 1974.
Do	Sioux	Hawarden, city of	H 19 167 3760 01 through H 19 167 3760 02	do	Mayor, Hawarden, Iowa 51023	Do.
Do	Washington	Wellman, town of	H 19 183 8900 01	do	Mayor, Municipal Bldg., Wellman, Iowa 52356.	Do.
Kansas	Cherokee	Baxter Springs, city of.	H 20 0045 01	Division of Water Resources, State Board of Agriculture, Topeka, Kans. 66612. Kansas Insurance Department, 1st floor, Statehouse, Topeka, Kans. 66612.	Mayor, City Hall, Baxter Springs, Kans. 66713.	Do.
Do	do	Galena, city of	H 20 0047 01	do	Mayor, City Hall, Galena, Kans. 66739.	Do.
Do	Clark	Ashland, city of	H 20 025 0240 02	do	Mayor, City Hall, Ashland, Kans. 67831.	May 17, 1974.
Do	Morton	Elkhart, city of	H 20 129 1580 01	do	Mayor, mayor of Elkhart, Elkhart, Kans. 67950.	May 24, 1974.
Do	Jefferson	Oskaloosa, city of.	H 20 0151 01	do	Mayor, City Hall, Oskaloosa, Kans 66066.	Do.
Do	Salina	Salina, city of	H 20 0319 01 through H 20 0319 08	do	City Manager, City-County Bldg., 300 West Ash, Salina, Kans. 67401.	Do.
Do	Edwards	Kinsley, city of	H 20 047 2860 01 through H 20 047 2860 02	do	City Manager, City Hall, Kinsley, Kans. 67547.	May 17, 1974.
Do	Nemaha	Centralia, city of	H 20 131 0860 01	do	Mayor, city of Centralia, Centralia, Kans. 66415.	May 24, 1974.
Do	Osage	Carbondale, city of.	H 20 138 0800 01	do	Mayor, City Hall, Carbondale, Kans. 66414.	Do.
Do	Stanton	Johnson City, city of.	H 20 187 2780 01	do	Mayor, City Hall, Johnson, Kans. 67855.	Do.
Kentucky	Ballard	Wickliffe, town of	H 21 0006 01 through H 21 0006 02	Division of Water, Kentucky Department of Natural Resources, Capitol Plaza, Office, Tower, Frankfort, Ky. 40601. Kentucky Insurance Department, Old Capitol Annex, Frankfort, Ky. 40601.	Mayor, City Hall, Wickliffe, Ky. 42087.	Do.
Do	Barren	Glasgow, city of	H 21 0007 01 through H 21 0007 05	do	Mayor, City Hall, Glasgow, Ky. 42141.	Do.
Do	Bracken	Augusta, city of	H 21 0022 01 through H 21 0022 02	do	Mayor, City Hall, Augusta, Ky. 41002.	Do.
Do	Bullitt	Shepherdsville, city of.	H 21 0028 01	do	Adm. Official, Planning and Zoning Commission, Courthouse, Shepherdsville, Ky. 40165.	Do.
Do	Casey	Liberty, city of	H 21 0054 01 through H 21 0054 02	do	Mayor, City Hall, Liberty, Ky. 42539.	Do.
Do	Daviess	Owensboro, city of.	H 21 0063 01 through H 21 0063 06	do	Mayor, city of Owensboro, Owensboro, Ky. 42301.	Do.
Do	Floyd	Martin, town of	H 21 0071 01	do	Mayor, City Hall, Martin, Ky. 40649	Do.
Do	Leslie	Hyden, city of	H 21 0137 01	do	Chairman, City Commissioners, City Hall, Hyden, Ky. 41749.	Do.
Do	Letcher	Neon, town of	H 21 0139 01 through H 21 0139 02	do	Mayor, City Hall, Neon, Ky. 41840	Do.
Do	Muhlenberg	Greenville, city of	H 21 0176 01 through H 21 0176 02	do	Mayor, City Bldg., Greenville, Ky. 42345.	Do.
Do	Nicholas	Carlisle, city of	H 21 0182 01 through H 21 0182 02	do	Mayor, Elm St., Carlisle, Ky. 40311	Do.
Do	Pendleton	Falmouth, city of	H 21 0189 01 through H 21 0189 02	do	Mayor, City Bldg., Falmouth, Ky. 41040.	Do.
Do	Powell	Stanton, city of	H 21 0196 01 through H 21 0196 02	do	Mayor, Stanton, Ky. 40380	Do.
Do	Pulaski	Somerset, city of	H 21 0199 01 through H 21 0199 03	do	Mayor, Somerset, Ky. 42501	Do.
Do	Scott	Georgetown, city of.	H 21 0208 01 through H 21 0208 02	do	Enforcement Officer, Land Use Planning, City Hall, Georgetown, Ky. 40324.	Do.

State	County	Location	Map No.	State map repository	Local map repository	Effective date of identification of areas which have special flood hazards
Do	Taylor	Campbellsville city of.	H 21 0213 01 through H 21 0213 02	do	Mayor, West 2d St., Campbellsville, Ky. 42718.	Do.
Do	Wayne	Monticello, town of.	H 21 0221 01 through H 21 0221 02	do	Mayor, City Hall, Monticello, Ky. 42633.	Do.
Do	Carlisle	Arlington, town of.	H 21 039 011 01	do	Chairman of Town Board, Arlington, Ky. 42021.	Do.
Do	Hickman	Clinton, town of.	H 21 105 0710 02	do	Mayor, City Hall, Clinton, Ky. 42031.	Do.
Do	Rock Castle	Brodhead, city of.	H 21 203 0380 02	do	Chairman, Board of Trustees, City Hall, Brodhead, Ky. 40409.	May 17, 1974.
Do	Rowan	Morehead, city of.	H 21 205 2270 04	do	Mayor, City Hall, Morehead, Ky. 40351.	Do.
Louisiana	Acadia Parish	Iota, town of	H 22 005 01	State Department of Public Works, P.O. Box 44155, Capitol Station, Baton Rouge, La. 70804. Louisiana Insurance Department, Box 44214, Capitol Station, Baton Rouge, La. 70804.	Mayor, City Hall, Iota, La. 70543	Do.
Do	Calcasieu Parish	Vinton, town of	H 22 0042 01 through H 22 0042 02	do	Mayor, City Hall, Vinton, La. 70668	Do.
Do	Concordia Parish.	Ridgecrest, town of.	H 22 0056 01	do	Town Hall, Ridgecrest, La. 71334	Do
Do	Evangeline Parish.	Basile, town of	H 22 0065 01	do	Mayor of Basile, Basile, La. 70515	Do.
Do	Jefferson Davis Parish.	Welsh, town of	H 22 0100 01 through H 22 0100 02	do	Mayor, Town Hall, Welsh, La. 70591	Do.
Do	Beauregard Parish.	Merryville, town of.	H 22 011 1540 01 through H 22 011 1540 02	do	Mayor, City Hall, Merryville, La. 70653.	Do.
Do	Livingston Parish.	Walker, town of	H 22 0121 01	do	Mayor, Walker, La. 70785	Do.
Do	Natchitoches Parish.	Provencal, village of.	H 22 0132 01 through H 22 0132 02	do	Mayor, City Hall, Provencal, La. 71468.	Do.
Do	Calcasieu Parish	Iowa, town of	H 22 019 1100 01	do	Mayor City Hall, Iowa, La. 70647	Do.
Do	do	Sulphur, city of	H 22 019 2210 01 through H 22 019 2210 03	do	Mayor, City Hall, Sulphur, La. 70633	Do.
Do	St. Tammany Parish.	Pearl River, town of.	H 22 0203 01	do	Mayor, Town Hall, Pearl River, La. 70452.	Do.
Do	Tensas Parish	Waterproof, town of.	H 22 0218 01	do	Bank of St. Joseph & Trust Co., Waterproof, La. 71375.	Do.
Do	Franklin Parish	Baskin, village of.	H 22 041 0130 01	do	Town Hall, Highway 15, Baskin, La. 71219.	Do.
Do	Madison Parish	Tallulah, village of.	H 22 065 2230 04	do	City Clerk's Office, City Hall, Tallulah, La. 71282.	Do.
Do	Tangipahoa Parish.	Independence, town of.	H 22 105 1080 01	do	Mayor, Independence, La. 70443	Do.
Maine	York	Biddeford, city of.	H 23 031 0550 01 through H 23 031 0550 11	Maine Soil and Water Conservation Commission, State House, Augusta, Maine 04330. Maine Insurance Department, Capitol Shopping Center, Augusta, Maine 04330.	Mayor, City Hall, Biddeford, Maine 04002.	Do.
Massachusetts	Essex	Swampscott, town of.	H 25 009 1267 01 through H 25 009 1267 02	Division of Water Resources, Water Resources Commission, State Office Bldg., 100 Cambridge St., Boston, Mass. 02202. Massachusetts Division of Insurance, 100 Cambridge St., Boston, Mass. 02202.	Swampscott Engineering Offices, Monument Ave., Swampscott, Mass. 01907.	Do.
Michigan	Alger	Munising, city of	H 26 0002 01 through H 26 0002 03	Water Resources Commission, Bureau of Water Management, Stevens T. Mason Bldg., Lansing, Mich. 48926. Michigan Insurance Bureau, 111 North Mosmer St., Lansing, Mich. 48913.	City Manager, Municipal Bldg., Munising, Mich. 49862.	Do.
Do	Bay	Bangor, township of.	H 26 0019 01 through H 26 0019 08	do	Supervisor, Office of Township Clerk, Bangor Township Hall, 3921 Wheeler Rd., Bay City, Mich. 48706.	Do.
Do	Berrien	Benton Harbor, city of.	H 26 0032 01 through H 26 0032 03	do	City Manager, city of Benton Harbor, Public Service Bldg., 2d and North Sts., Benton Harbor, Mich. 49022.	Do.
Do	do	St. Joseph, city of.	H 26 0044 01 through H 26 0044 02	do	City Manager, City Clerk's Office, City Hall, 616-620 Broad St., St. Joseph, Mich. 49085.	Do.
Do	Dickinson	Kingsford, city of.	H 26 0064 01 through H 26 0064 02	do	Mayor, Municipal Bldg., Kingsford, Mich. 49802.	Do.
Do	Eaton	Charlotte, city of.	H 26 0065 01 through H 26 0065 02	do	Jack Clever, City Zoning and Building Officer, City Hall, 146 South Bostwick St., Charlotte, Mich. 48813.	Do.
Do	do	Eaton Rapids, city of.	H 26 0067 01	do	Neil Hart, Building Inspector, 147 South Main (Gambel Store), Eaton Rapids, Mich. 48827.	Do.
Do	Genesee	Genesee, Township of.	H 26 0078 01 through H 26 0078 11	do	Township Supervisor, 7244 North Genesee Rd., Genesee, Mich. 48437.	Do.
Do	Grand Traverse	Traverse City, city of.	H 26 0082 01 through H 26 0082 04	do	City Manager, City Hall, Traverse City, Mich. 49684.	Do.
Do	Ingham	East Lansing, city of.	H 26 0089 01 through H 26 0089 04	do	Mayor, City Hall, 410 Abbott Rd., East Lansing, Mich. 48823.	Do.
Do	Iosco	East Tawas, city of.	H 26 0100 01 through H 26 0100 02	do	Building Inspector, East Tawas City Hall, East Tawas, Mich. 48730.	Do.
Do	do	Iron River, city of.	H 26 0103 01 through H 26 0103 02	do	Mayor, Municipal Bldg., Iron River, Mich. 49935.	Do.

State	County	Location	Map No.	State map repository	Local map repository	Effective date of identification of areas which have special flood hazards
*	*	*	*	*	*	*
Do	Lenawee	Tecumseh, city of	H 26 0117 01 through H 26 0117 04	do	City Manager, 309 East Chicago Blvd., Tecumseh, Mich. 49286.	Do.
Do	Macomb	Fraser, city of	H 26 0122 01 through H 26 0122 02	do	Building Inspector, City Hall, 33000 Garfield Rd., Fraser, Mich. 48026.	Do.
Do	Manistee	Manistee, city of	H 26 0131 01 through H 26 0131 02	do	City Mayor, City Bldg., Manistee, Mich. 49660.	Do.
Do	Mecosta	Big Rapids, city of.	H 26 0136 01 through H 26 0136 02	do	Building Inspector, City Hall, Big Rapids, Mich. 49307.	Do.
Do	Monroe	Milan, township of.	H 26 0151 01 through H 26 0151 12	do	Boyd Kanitz, 10572 Far, Milan, Mich. 48160.	Do.
Do	Oakland	Keego Harbor, city of.	H 26 0173 01 through H 26 0173 02	do	Manager, 2025 Beachmont, Keego Harbor, Mich. 48033.	Do.
Do	do	Madison Heights, city of.	H 26 0174 01 through H 26 0174 03	do	City Manager, City Hall, 300 West 13 Mile Rd., Madison Heights, Mich. 48071.	Do.
Do	Wayne	Grosse Pointe Farms, city of.	H 26 0220	do	City Hall, 90 Kerby Rd., Grosse Pointe Farms, Mich. 48236.	Do.
Do	Lenawee	Hudson, city of	H 26 001 2390 01	do	City Manager, 121 North Church, Hudson, Mich. 49247.	Do.
Do	Ontonagon	Ontonagon, city of.	H 26 131 3700 01 through H 26 131 3700 02	do	Mayor, City Hall, Ontonagon, Mich. 49953.	May 24, 1974.
Minnesota	Chisago	Taylors Falls, village of.	H 27 0075 01 through H 27 0075 02	Division of Waters, Soils and Minerals, Department of Natural Resources, Centennial Office Bldg., St. Paul, Minn. 55101. Minnesota Division of Insurance, R-210 State Office Bldg., St. Paul, Minn. 55101.	Mayor, Taylors Falls, Minn. 55084	Do.
Do	do	Wyoming, village of.	H 27 0076 01 through H 27 0076 02	do	Mayor, Wyoming, Minn. 55092	Do.
Do	Dakota	Farmington, village of.	H 27 0104 01 through H 27 0104 05	do	Mayor, Village Hall, Farmington, Minn. 55024.	Do.
Do	do	Inver Grove Heights, village of.	H 27 0106 01 through H 27 0106 09	do	Mayor, Village Hall, 8650 Courthouse Blvd., Inver Grove Heights, Minn. 55075.	Do.
Do	Big Stone	Clinton, city of	H 27 011 1340 01	do	Mayor, Clinton, Minn. 56225	May 17, 1974.
Do	Fillmore	Lanesboro, village of.	H 27 0126 01	do	Mayor, City Hall, Lanesboro, Minn. 55949.	May 24, 1974.
Do	do	Rushford, city of	H 27 0130 01	do	Mayor, City Hall, Rushford, Minn. 55971.	Do.
Do	Goodhue	Cannon Falls, city of	H 27 0141 01 through H 27 0141 02	do	Mayor, City Hall, 302 West Hoffman, Cannon Falls, Minn. 55009.	Do.
Do	do	Goodhue, village of.	H 27 0142 01	do	Mayor, Goodhue, Minn. 55027	Do.
Do	do	Kenyon, village of.	H 27 0143 01 through H 27 0143 02	do	Mayor, City Hall, Kenyon, Minn. 55946.	Do.
Do	do	Pine Island, village of.	H 27 0145 01	do	Mayor, City Hall, Pine Island, Minn. 55963.	Do.
Do	do	Zumbrota, village of.	H 27 0148 01 through H 27 0148 02	do	Mayor, City Hall, Zumbrota, Minn. 55992.	Do.
Do	Carlton	Moose Lake, city of.	H 27 017 4890 01 through H 27 017 4890 02	do	Mayor, Village Hall, Moose Lake, Minn. 55767.	May 17, 1974.
Do	Houston	Houston, village of.	H 27 0193 01	do	Mayor, Houston, Minn. 55943	May 24, 1974.
Do	Jackson	Heron Lake, village of.	H 27 0212 01	do	Mayor, City Hall, Heron Lake, Minn. 56137.	Do.
Do	Clay	Dilworth, city of	H 27 027 1830 01	do	City Hall, Dilworth, Minn. 56529	May 17, 1974.
Do	Norman	Halstad, village of.	H 27 0324 01	do	Mayor, Village Hall, Halstad, Minn. 56548.	May 24, 1974.
Do	Roseau	Warroad, village of.	H 27 0415 01 through H 27 0415 02	do	Mayor, Warroad, Minn. 56763	Do.
Do	St. Louis	Mountain Iron, village of.	H 27 0424 01 through H 27 0424 05	do	Mayor, Village Hall, Mountain Iron, Minn. 55768.	Do.
Do	Sibley	Henderson, city of.	H 27 0440 01	do	Mayor, Henderson, Minn. 56044.	Do.
Do	Fillmore	Spring Valley, city of.	H 27 045 6080 01 through H 27 045 6080 02	do	Municipal Bldg., city of Spring Valley, 120 West Courtland St., Spring Valley, Minn. 55975.	May 17, 1974.
Do	Washington	Oakdale, village of.	H 27 0511 01 through H 27 0511 05	do	Mayor, village of Oakdale, Village Hall, 1584 Hadley Ave. NW., St. Paul, Minn. 55119.	Do.
Do	Wright	Cokato, village of	H 27 0537 01	do	Mayor, City Hall, Cokato, Minn. 55321.	Do.
Do	do	Delano, village of	H 27 0539 01	do	Mayor, Delano, Minn. 55328	Do.
Do	Marshall	Stephen, city of	H 27 089 6740 01	do	City of Stephen, Office of City Clerk, Box 300, Stephen, Minn. 56757.	Do.
Do	Rice	Fairbault, city of	H 27 131 2310 04	do	City Engineer's Office, City Hall, 208 Northwest 1st Ave., Fairbault, Minn. 55021.	May 24, 1974.
Do	Winona	St. Charles, city of.	H 27 169 6230 02	do	Mayor, St. Charles, Minn. 55972	Do.
Do	Wright	Monticello, village of.	H 27 171 4860 01	do	Mayor, Monticello, Minn. 55362	Do.

State	County	Location	Map No.	State map repository	Local map repository	Effective date of identification of areas which have special flood hazards
Mississippi	Bolivar	Benoit, town of	H 28 0013 01	Mississippi Research and Development Center, P.O. Box Drawer 2470, Jackson, Miss. 39205. Mississippi Insurance Department, 910 Woolfolk Bldg., P.O. Box 79, Jackson, Miss. 39205.	City Clerk, Town Hall, Benoit, Miss. 38725.	Do.
Do.	do.	Boyle, town of	H 28 0015 01	do.	City Clerk, Town Hall, Boyle, Miss. 38730.	Do.
Do.	Sharkey	Rolling Fork, city of.	H 28 0155 01	do.	Mayor, Building Inspector, City Hall, Rolling Fork, Miss. 39159.	Do.
Do.	Sunflower	Indianola, city of	H 28 0164 01	do.	City Clerk, City Hall, city of Indianola, Indianola, Miss. 38751.	Do.
Missouri	Lawrence	Monett, city of	H 29 009 5310 01 through H 29 009 5310 03	Water Resources Board, P.O. Box 271, Jefferson City, Mo. 65101. Division of Insurance, P.O. Box 690, Jefferson City, Mo. 65101.	Zoning Inspector, City Hall, Monett, Mo. 65708.	Do.
Do.	Atchison	Rock Port, town of.	H 29 0012 01 through H 29 0012 02	do.	Mayor, City Hall, Rock Port, Mo. 64482.	Do.
Do.	Audrain	Laddonia, city of	H 29 0017 01	do.	Mayor, Laddonia, Mo. 63352	Do.
Do.	Clark	Kahoka, city of	H 29 0081 01	do.	Mayor, City Hall, Kahoka, Mo. 63445	Do.
Do.	Clinton	Plattsburg, city of.	H 29 0106 01 through H 29 0106 04	do.	City Clerk, City Hall, Plattsburg, Mo. 64477.	Do.
Do.	Lawrence	Mount Vernon, city of.	H 29 0202 01 through H 29 0202 02	do.	Mayor and City Council, City Hall, Mount Vernon, Mo. 65712.	Do.
Do.	McDonald	Noel, town of	H 29 0218 01 through H 29 0218 02	do.	Mayor, City Hall, Noel, Mo. 64854	Do.
Do.	New Madrid	Marston, city of	H 29 0253 01	do.	Mayor, City Hall, Marston, Mo. 63866.	Do.
Do.	Crawford	Bourbon, city of	H 29 055 0920 01 through H 29 055 0920 02	do.	Mayor, City Hall, Bourbon, Mo. 65441.	Do.
Do.	Cass	Belton, city of	H 29 037 0600 01 through H 29 037 0600 04	do.	Mayor, City Hall, Belton, Mo. 64012	Do.
Do.	Jefferson	Herculaneum, city of.	H 29 079 3620 01 through H 29 079 3620 04	do.	City Hall, county of Jefferson, Herculaneum, Mo. 63048.	Do.
Do.	Howell	Willow Springs, city of.	H 29 091 8410 01 through H 29 091 8410 03	do.	Mayor and City Council, Willow Springs, Mo. 65793.	Do.
Do.	Lawrence	Pierce City town of.	H 29 109 6263 02	do.	Mayor and City Council, City Hall, Pierce City, Mo. 65723.	May 17, 1974.
Do.	Pike	Clarksville, city of.	H 29 163 1650 01	do.	City Hall, Building Inspector's Office, Clarksville, Mo. 63336.	May 24, 1974.
Montana	Carbon	Red Lodge, city of.	H 30 009 0970 01	Montana Department of Natural Resources and Conservation, Water Resources Division, Sam W. Mitchell Bldg., Helena, Mont. 59601. Montana Insurance Department, Capitol Bldg., Helena, Mont. 59601.	Mayor, City Hall, Red Lodge, Mont. 59068.	Do.
Do.	Meagher	White Sulphur Springs, city of.	H 30 059 1260 01	do.	Mayor, 101 East Main, White Sulphur Springs, Mont. 59645.	Do.
Do.	Richland	Sidney, city of	H 30 083 1070 01	do.	Mayor, City Hall, Sidney, Mont. 59270.	Do.
Nebraska	Hall	Cario, town of	H 31 0101 01	Nebraska Natural Resources, Commission, P.O. Box 94725, State House Station, Lincoln, Nebr. 68509. Nebraska Insurance Department, 1335 L St., Lincoln, Nebr. 68509.	Mayor, Cairo, Nebr. 68824	Do.
Do.	Keith	Brule, village of	H 31 0128 01	do.	Chairman, Village Board, Brule, Nebr. 69127.	Do.
Do.	do.	Paxton, village of	H 31 0130 01	do.	Mayor, village of Paxton, Paxton, Nebr. 69155.	Do.
Do.	Custer	Sargent, city of	H 31 041 4300 01	do.	Mayor, Sargent, Nebr. 68875	Do.
Do.	Franklin	Franklin, city of	H 31 082 01	do.	Mayor, Franklin, Nebr. 68939	Do.
Do.	Howard	St. Paul, city of	H 31 093 4280 02	do.	Mayor, city of St. Paul, St. Paul, Nebr. 68873.	Do.
Do.	York	York, city of	H 31 185 5360 01 through H 31 185 5360 02	do.	Mayor, City Auditorium, York, Nebr. 68467.	Do.
Nevada	Carson City	Carson City, city of.	H 32 0001 01 through H 32 0001 05	Division of Water Resources, Department of Conservation and Natural Resources, Nye Bldg., Carson City, Nev 89701. Nevada Insurance Division, Department of Commerce, Nye Bldg., Carson City, Nev. 89701.	Carson City Manager, Courthouse, Carson City, Nev. 89701.	Do.
New Hampshire	Cheshire	Walpole, town of	H 33 005 0502 01 through H 33 005 0502 10	Office of State Planning, Division of Community Planning, State House Annex, Concord, N.H. 03301. New Hampshire Insurance Department, 78 North Main St., Concord, N.H. 03301.	Chairman, Planning Board, Walpole, N.H. 03608.	Do.
New Jersey	Burlington	Bass River, township of.	H 34 005 0174 01 through H 34 005 0174 06	Bureau of Water Control, Department of Environmental Protection, P.O. Box 1390, Trenton, N.J. 08625. New Jersey Department of Insurance, State House Annex, Trenton, N.J. 08625.	Norman G. Mathis, Township Clerk, South Maple Ave., New Gretna, N.J. 08224.	May 10, 1974.
Do.	Sussex	Branchville, borough of.	H 34 037 0400 01 through H 34 037 0400 02	do.	Mayor, Borough Hall, Branchville, N.J. 07826.	Do.
Do.	Union	Berkeley Heights, township of.	H 34 039 0276 01	do.	Mayor, 29 Park Ave., Berkeley Heights, N.J. 07922.	May 24, 1974.
Do.	Warren	Allamunchy, township of.	H 34 041 0081 01 through H 34 041 0081 07	do.	Mayor, Allamunchy, N.J. 07820	Do.

State	County	Location	Map No.	State map repository	Local map repository	Effective date of identification of areas which have special flood hazards
New Mexico	San Juan	Farmington, city of.	H 35 045 0310 01 through H 35 045 0310 11	State Engineer's Office, Bataan Memorial Bldg., Santa Fe, N. Mex. 87501. New Mexico Department of Insurance, P.O. Box 1269, Santa Fe, N. Mex. 87501.	Mayor, 800 Municipal Dr., Farmington, N. Mex. 87401.	Do.
Do	Taos	Taos, town of	H35 055 0780 01	do	Mayor, town of Taos, Taos, N. Mex. 87571.	May 17, 1974.
New York	Albany	New Scotland, township of.	H 36 001 4123 01 through H 36 001 4123 04	New York State Department of Environmental Conservation, Division of Resources Management Services, Albany, N.Y. 12201. New York State Insurance Department, 123 William St., New York, N.Y. 10038.	Town Supervisor, Rural Delivery, Slingerlands, N.Y. 12159	May 10, 1974.
Do	Allegany	Bolivar, village of.	H 36 003 0600 01	do	Mayor, Bolivar, N.Y. 14715	May 17, 1974.
Do	do	Cuba, village of	H 36 003 1430 01	do	Mayor, Cuba, N.Y. 14727	Do.
Do	Cattaraugus	Ellicottville, village of.	H 36 009 1830 01	do	Mayor, village of Ellicottville, N.Y. 14731.	May 24, 1974.
Do	Columbia	Copake, town of	H 36 021 1327 01 through H 36 021 1327 03	do	Town Supervisor, Copake, N.Y. 12516.	Do.
Do	do	Livingston, town of.	H 36 021 3313 01 through H 36 021 3313 03	do	Town Supervisor, Livingston, N.Y. 12541.	Do.
Do	Delaware	Hobart, village of	H 36 025 2720 01	do	Mayor, Hobart, N.Y. 13788	Do.
Do	do	Walton, village of	H 36 025 6360 01	do	Supervisor, Walton, N.Y. 13856	May 17, 1974.
Do	Erie	Lancaster, town of.	H 36 029 3141 01 through H 36 029 3141 05	do	Supervisor, Town Hall, 21 Central Ave., Lancaster, N.Y. 14086.	May 24, 1974.
Do	do	North Collins, village of.	H 36 029 4250 01	do	Supervisor, Town Hall, North Collins, N.Y. 14111.	May 17, 1974.
Do	do	do	H 36 029 4251 01 through H 36 029 4251 09	do	do	May 24, 1974.
Do	Jefferson	Cape Vincent, village of.	H 36 045 0890 01	do	Mayor, village of Cape Vincent, N.Y. 13618.	Do.
Do	do	Evans Mills, village of.	H 36 045 1900 01	do	Mayor, village of Evans Mills, N.Y. 13637.	May 17, 1974.
Do	Livingston	Avon, town of	H 36 051 0351 01 through H 36 051 0351 12	do	Avon Town Hall, 70 Genesee St., Avon, N.Y. 14414.	May 24, 1974.
Do	do	Nunda, village of	H 36 051 4370 01	do	Mayor, Nunda, N.Y. 14517	Do.
Do	Madison	De Ruyter, village of.	H 36 053 1530 01	do	Mayor, De Ruyter, N.Y. 13052	Do.
Do	Montgomery	Root, town of	H 36 057 5279 01, through H 36 057 5279 04	do	Supervisor, rural delivery No. 1, town of Root, Sprakers, N.Y. 12166.	Do.
Do	Nassau	Atlantic Beach, village of.	H 36 059 0295 01 through H 36 059 0295 02	do	Village Office, 65 The Plaza, Atlantic Beach, N.Y. 11509.	May 10, 1974.
Do	do	Latting Town, village of.	H 36 059 3160 02	do	Mayor, P.O. Box 237, Locust Valley, N.Y. 11560.	May 17, 1974.
Do	Oneida	Clayville, village of.	H 36 065 1190 01	do	Mayor, Village Office, Clayville, N.Y. 13322.	May 24, 1974.
Do	Orange	Mount Hope, town of.	H 36 071 3918 01 through H 36 071 3918 07	do	Supervisor, rural delivery No. 1, Grange Rd., town of Mount Hope, Otisville, N.Y. 10963.	Do.
Do	do	Waywayanda, town of.	H 36 071 5193 01 through H 36 071 5193 03	do	Supervisor, town of Waywayanda, Box 32, Slate Hill, N.Y. 10973.	Do.
Do	Orleans	Albion, village of	H 36 073 0060 01 through H 36 073 0060 02	do	Mayor, Albion, N.Y. 14411	Do.
Do	do	Medina, village of	H 36 073 3660 01 through H 36 073 3660 02	do	Mayor, Medina, N.Y. 14103	Do.
Do	Oswego	Central Square	H 36 075 1060 01	do	Mayor, Central Square, N.Y. 13036	May 17, 1974.
Do	do	Oswego, town of	H 36 075 4540 01 through H 36 075 4540 06	do	City Engineer's Office, City Hall, city of Oswego, N.Y. 13126.	May 10, 1974.
Do	do	Sandy Creek, town of.	H 36 075 5450 01 through H 36 075 5450 12	do	Town Supervisor, Town Hall, Sandy Creek, N.Y. 13145.	May 24, 1974.
Do	St. Lawrence	Gouverneur, village of.	H 36 089 2330 01	do	Mayor, 33 Clinton St., Gouverneur, N.Y. 13642.	Do.
Do	do	Heuvelton, village of.	H 36 089 2640 01	do	Mayor, Town House, Heuvelton, N.Y. 13654.	Do.
Do	Steuben	Wayne, town of	H 36 101 6502 01 through H 36 101 6502 02	do	Town Clerk, town of Wayne, Wayne, N.Y. 14893.	Do.
Do	Suffolk	Greenport, village of.	H 36 103 2430 01	do	Mayor, 236 3d St., Greenport, N.Y. 11944.	Do.
Do	Ulster	Ellenville, village of.	H 36 111 1820 01 through H 36 111 1820 05	do	Building Inspector, village of Ellenville, Ulster County, N.Y. 12428.	Do.
Do	Washington	Greenwich, village of.	H 36 115 2440 01	do	Mayor, Greenwich, N.Y. 12834	May 10, 1974.
Do	Westchester	Croton-On-Hudson, village of.	H 36 119 1420 01 through H 36 119 1420 02	do	Mayor, Municipal Bldg., Van Wyck St., Croton-On-Hudson, N.Y. 10520.	Do.
Do	do	Pound Ridge, town of.	H 36 119 5034 01 through H 36 119 5034 07	do	Supervisor, Town House, Pound Ridge, N.Y. 10576.	May 24, 1974.
Do	do	Tuckahoe, village of.	H 36 119 6130 01	do	Mayor, Village Hall, Tuckahoe, N.Y. 10707.	May 10, 1974.
Do	Wyoming	Attica, village of	H 36 121 0300 01	do	Mayor, Village Office, 9 Water St., Attica, N.Y. 14011.	May 24, 1974.
Do	do	Perry, village of	H 36 121 4750 01	do	Mayor, Village Office, 46 North Main St., Perry, N.Y. 14530.	Do.

State	County	Location	Map No.	State map repository	Local map repository	Effective date of identification of areas which have special flood hazards
North Carolina	Brunswick	Shallotte, town of.	H 37 0027 01	North Carolina Office of Water and Air Resources, Department of Natural and Economic Resources, P.O. Box 27687, Raleigh, N.C. 27611. North Carolina Insurance Department, P.O. Box 26387, Raleigh, N.C. 27611.	Mayor, Shallotte, N.C. 28459	Do.
Do	do	Southport, city of.	H 37 0028 01	do	City Manager, city of Southport, Southport, N.C. 78461.	Do.
Do	Carteret	Carteret, town of.	H 37 0046 01	do	Carteret County Courthouse, Beaufort, N.C. 28516.	Do.
Do	Columbus	Chadbourn, town of.	H 37 0065 01 through H 37 0065 06	do	City Manager, Chadbourn, N.C. 28431.	Do.
Do	Pender	Surf City, town of.	H 37 0186 01 through H 37 0186 04	do	Building Inspector, Office of the Town Clerk, corner of Goldsboro Ave. and New River Dr., Surf City, N.C. 28445.	Do.
Do	Pitt	Ayden, town of.	H 37 0189 01	do	Mayor, Municipal Bldg., Ayden, N.C. 28513.	Do.
Do	Edgecombe	Whitakers, town of.	H 37 065 5000 01	do	Mayor, Whitakers, N.C. 27891	Do.
North Dakota	Cass	Casselton, city of.	H 38 0020 01 through H 38 0020 02	State Water Commission, State Office Bldg., 900 East Blvd., Bismarck, N. Dak. 58501. North Dakota Insurance Department, State Capitol, Bismarck, N. Dak. 58501.	Mayor, Casselton, N. Dak. 58102	Do.
Do	Pembina	Cavalier, city of.	H 38 0081 01 through H 38 0081 02	do	Mayor, Cavalier, N. Dak. 58220	Do.
Do	Walsh	Park River, city of.	H 38 0139 01	do	Mayor, Park River, N. Dak. 58270	Do.
Do	McLean	Underwood, city of.	H 38 055 3140 01	do	President, City Commission, Underwood, N. Dak. 58576.	Do.
Do	McLean and Burleigh.	Wilton, city of	H 38 055 3370 01	do	President, City Commission, Wilton, N. Dak. 58579.	Do.
Do	Morton	Glen Ullin, city of.	H 38 059 1230 01	do	Mayor, City Hall, Glen Ullin, N. Dak. 58631.	Do.
Do	Pembina	Drayton, city of.	H 38 067 0850 01	do	City of Drayton, City Hall, 705 Almeron, Drayton, N. Dak. 58225.	Do.
Do	Stark	Belfield, city of.	H 38 089 0270 01	do	Mayor, Belfield, N. Dak. 58622	Do.
Ohio	Montgomery	Englewood, city of.	H 39 0410 01 through H 39 0410 02	Ohio Department of Natural Resources, Fountain Square, Columbus, Ohio 43224. Director of Insurance, State of Ohio, Department of Insurance, 115 East Rich St., Columbus, Ohio 43215.	Mayor, Englewood, Ohio 45322	Do.
Do	Summit	Barberton, city of.	H 39 0524 01 through H 39 0524 04	do	Mayor, City Hall, 576 Park West, Barberton, Ohio 44203.	Do.
Do	Warren	Morrow, village of.	H 39 0561 01	do	Mayor, 150 Pike St., Morrow, Ohio 45152.	Do.
Do	do	South Lebanon, village of.	H 39 0563 01	do	Mayor, South Lebanon, Ohio 45065	Do.
Do	Hancock	Arlington, village of.	H 39 0630 290	do	Mayor, Town Hall, Arlington, Ohio 45814.	Do.
Do	Harrison	Jewett, village of.	H 39 067 3830 02	do	Mayor, Jewett, Ohio 43986	Do.
Do	Pauding	Grover Hill, village of.	H 39 125 3220 01	do	Mayor, Grover Hill, Ohio 45849	Do.
Do	Shelby	Sidney, city of	H 39 149 7550 01 through H 39 149 7550 05	do	City Manager, Municipal Bldg., Sidney, Ohio 45365.	Do.
Do	Stark	Minervia, village of.	H 39 151 5180 01	do	Mayor, Village Hall, 209 West Market, Minervia, Ohio 44657.	Do.
Do	Wyandot	Sycamore, village of.	H 39 175 7970 01	do	Mayor, village of Sycamore, Sycamore, Ohio 44882.	May 17, 1974.
Oklahoma	Beckham	Elk City, city of.	H 40 0010 01 through H 40 0010 04	Oklahoma Water Resources Board, 2241 Northwest 40th St., Oklahoma City, Okla. 73112. Oklahoma Insurance Department, Room 408 Will Rogers Memorial Bldg., Oklahoma City, Okla. 73105.	Water Superintendent, Municipal Bldg., Elk City, Okla. 73644.	May 24, 1974.
Do	Canadian	Yukon, city of.	H 40 0028 01 through H 40 0028 08	do	City Hall, 532 Main St., Yukon, Okla. 73099.	Do.
Do	Craig	Vinita, city of.	H 40 0050 01	do	Mayor, Vinita, Okla. 74301	Do.
Do	Ellis	Shattuck, town of.	H 40 0061 01	do	Mayor, City Hall, Shattuck, Okla. 73858.	Do.
Do	Le Flore	Heavener, city of.	H 40 0090 01 through H 40 0090 02	do	City Manager, City Hall, Heavener, Okla. 74937.	Do.
Do	Major	Fairview, city of.	H 40 0112 01 through H 40 0112 04	do	Mayor, city of Fairview, Fairview, Okla. 73737.	Do.
Do	Stephens	Duncan, city of.	H 40 0202 01 through H 40 0202 09	do	City Hall, 8th and Willow, Duncan, Okla. 73533.	Do.
Do	Woods	Waynoka, city of.	H 40 0228 01	do	Mayor, Waynoka, Okla. 73860	Do.
Do	Grady	Chickasha, city of.	H 40 0234 01 through H 40 0234 03	do	Office of the City Clerk, City Hall, 6th and Chickasha, Chickasha, Okla. 73018.	Do.
Do	Dewey	Seiling, city of.	H 40 043 4230 01	do	Mayor, City Hall, Seiling, Okla. 73663.	Do.
Do	Mayes	Chouteau, town of.	H 40 097 0980 01	do	Chairman, Board of Trustees, Chouteau, Okla. 74337.	Do.
Do	Woodward	Fort Supply, town of.	H 40 153 1700 01	do	Mayor, city of Fort Supply, Fort Supply, Okla. 73841.	Do.

State	County	Location	Map No.	State map repository	Local map repository	Effective date of identification of areas which have special flood hazards
Oregon	Clackamas	Molalla, city of	H 41 0020 01	Executive Department, State of Oregon, Salem, Oreg. 97310. Oregon Insurance Division, Department of Commerce, 158 12th St. NE., Salem, Oreg. 97310.	Mayor, City Hall, Molalla, Oreg. 97038.	Do.
Do	Columbia	Rainier, city of	H 41 0038 01 through H 41 0038 03	do	Mayor, City Hall, Rainier, Oreg. 97048.	Do.
Do	Hood River	Cascade Locks, city of.	H 41 0087 01	do	Mayor, Elain Esselrtyn, Cascade Locks, Oreg. 97014.	Do.
Do	do	Hood River, city of.	H 41 0088 01	do	Mayor, City Hall, Hood River, Oreg. 97301.	Do.
Do	Columbia	Scappoose, city of.	H 41 009 1840 01	do	Mayor, City Hall, Scappoose, Oreg. 97056.	May 17, 1974.
Do	Marion	Woodburn, city of.	H 41 0172 01 through H 41 0172 02	do	Mayor, City Hall, Woodburn, Oreg., 97071.	May 24, 1974.
Do	Gilliam	Condon, city of	H 41 021 0380 01	do	Mayor, City Hall, Condon, Oreg. 97823.	Do.
Do	Wasco	The Dalles, city of.	H 41 0237 01 through H 41 0237 02	do	Mayor, City Hall, The Dalles, Oreg., 97058.	Do.
Do	Wallowa	Joseph, city of	H 41 0226 01	do	Mayor, Joseph, Oreg. 97846	Do.
Do	Lake	Lakeview, city of.	H 41 037 1200 01	do	Mayor, Lakeview, Oreg. 97630	Do.
Do	Lincoln	Newport, city of	H 41 041 1500 01 through H 41 041 1500 02	do	Mayor, City Hall, Newport, Oreg. 97365.	Do.
Do	Polk	Monmouth, city of.	H 41 053 1390 01	do	Mayor, City Hall, Monmouth, Oreg. 97361.	Do.
Pennsylvania	Allegheny	Springdale, township of.	H 42 003 0841 01	Department of Community Affairs, Commonwealth of Pennsylvania, Harrisburg, Pa. 17120. Pennsylvania Insurance Department, 108 Finance Bldg., Harrisburg, Pa. 17120	Mayor, 924 Pittsburgh St., Springdale, Pa. 15144.	Do.
Do	Berks	Leesport, borough of.	H 42 011 4363 01 through H 42 011 4363 02	do	Leesport Borough Hall, 222 Spring Garden St., Leesport, Pa. 19533.	Do
Do	do	Womelsdorf, borough of.	H 42 011 9461 01	do	Mayor, 16 North Front St., Womelsdorf, Pa. 19567.	Do.
Do	do	Lower Makefield, township of.	H 42 017 3948 01 through H 42 017 3948 05	do	Lower Makefield Township Bldg., 1100 Yardley Rd., Yardley, Pa. 19067.	May 10, 1974.
Do	Butler	Butler, city of	H 42 019 1020 01 through H 42 019 1020 06	do	City Hall, 140 West North St., Butler, Pa. 16001.	May 24, 1974.
Do	Lancaster	Upper Leacock, township of.	H 42 071 6124 01 through H 42 071 6124 06	do	Chairman, Board of Supervisors, 174 East Main St., township of Upper Leacock, Leola, Pa. 17540.	Do.
Do	Lycoming	Lewis, township of.	H 42 081 4409 01 through H 42 081 4409 06	do	Secretary, township of Lewis, Trout Run, Pa. 17771 (star route).	Do.
Do	Monroe	East Stroudsburg, borough of.	H 42 089 2330 01 through H 42 089 2330 02	do	Municipal Bldg., 24 Analomink St., East Stroudsburg, Pa. 18301.	Do.
Do	Perry	Liverpool, borough of.	H 42 099 4540 01	do	Kenneth W. Billow, Sr., 208 Market St., Liverpool, Pa. 17045.	May 10, 1974.
Do	Westmoreland	Rostraver, town of.	H 42 129 7188 01 through H 42 129 7188 05	do	Chairman, Board of Commissioners, rural delivery No. 2, township of Rostraver, Belle Vernon, Pa. 15012.	May 24, 1974.
Rhode Island	Newport	Tiverton, town of.	H 44 005 0212 03	Rhode Island Statewide Planning Program, 265 Melrose St., Providence, R.I. 02907. Rhode Island Insurance Division, 169 Weybosset St., Providence, R.I. 02903.	Town Clerk's Office, Town Hall, Highland Rd., Tiverton, R.I. 02878.	Do.
South Carolina	Allendale	Allendale, town of.	H 45 0009 01 through H 45 0009 02	South Carolina Resources, P.O. Drawer 164, 700 Knox Abbott Dr., Cayce, S.C. 29033. South Carolina Insurance Department, 2711 Middleburg St., Columbia, S.C. 29204.	Dr. Richard E. Boyles, Mayor, P.O. Box 551, Allendale, S.C. 29810.	Do.
Do	Anderson	Belton, town of	H 45 0015 01 through H 45 0015 02	do	Jones Ellison, Mayor, Town Hall, Belton, S.C. 29627.	Do.
Do	Berkeley	Moncks Corner, town of.	H 45 0031 01	do	W. W. Williams, Mayor, P.O. Box 276, Moncks Corner, S.C. 29461.	Do.
Do	Clarendon	Summerton, town of.	H 45 0054 01	do	W. R. DuBose, Mayor, Main St., Summerton, S.C. 29148.	Do.
Do	Dillon	Lake View, town of.	H 45 0006 01	do	Robert T. Smith, Mayor, Lake View, S.C. 29563.	Do.
Do	Dorchester	Harleyville, town of.	H 45 0070 01	do	Burrell Martin, Mayor, Harleyville, S.C. 29448.	Do.
Do	do	St. George, town of.	H 45 0072 01	do	D. C. Sojourner, Mayor, St. George, S.C. 29477.	Do.
Do	Edgefield	Edgefield, town of.	H 45 0074 01 through H 45 0074 02	do	L. E. Rearden, Mayor, Municipal Bldg., Edgefield, S.C. 29824.	Do.
Do	Florence	Olanta, town of	H 45 0080 01	do	J. Kelton Floyd, Mayor, P.O. Box 396, Olanta, S.C. 29114.	Do.
Do	do	Scranton, town of	H 45 0083 01	do	A. L. Smiley, Mayor, P.O. Box 2778, Scranton, S.C. 29591.	Do.
Do	do	Timmonsville, town of.	H 45 0084 01	do	Kenneth Emerson, Mayor, P.O. Box 447, Timmonsillville, S.C. 29161.	Do.
Do	Georgetown	Andrews, town of	H 45 0086 01	do	W. W. Moody, City Clerk, City Hall, Andrews, S.C. 29510.	Do.
Do	Hampton	Hampton, town of.	H 45 0100 01 through H 45 0100 02	do	Mayor, City Hall, Hampton, S.C. 29924.	Do.
Do	do	Varnville, town of	H 45 0102 01 through H 45 0102 02	do	Frank A. McClure, Jr., Mayor, P.O. Box 308, Varnville, S.C. 29944.	Do.

State	County	Location	Map No.	State map repository	Local map repository	Effective date of identification of areas which have special flood hazards
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Do	Kershaw	Camden, city of	H 45 0117 01 through H 45 0117 04	do	James Anderson, Mayor, City Hall, Camden, S.C. 29020.	Do.
Do	Lancaster	Lancaster, city of	H 45 0121 01 through H 45 0121 04	do	City Hall, 201 West Gay St., Lancaster, S.C. 29720.	Do.
Do	York	Clover, town of	H 45 0194 01	do	C. B. Stokes, Mayor, P.O. Box 181, Clover, S.C. 29710.	Do.
Do	Dillion	Dillion, town of	H 45 033 0620 01	do	Cary Smith, City Manager, Dillion, S.C. 29536.	Do.
South Dakota	Custer	Custer, city of	H 46 0019 01	South Dakota Planning Agency, State Capitol Bldg., Pierre, S. Dak. 57501. South Dakota Department of Insurance, Pierre, S. Dak. 57501.	Custer City Hall, 622 Crook St., Custer, S. Dak. 57730.	Do.
Tennessee	Chester	Henderson, town of.	H 47 0029 01 through H 47 0029 02	Tennessee State Planning Office, 660 Capitol Hill Bldg., Nashville, Tenn. 37219. Tennessee Department of Insurance and Banking, 114 State Office Bldg., Nashville, Tenn. 37219.	Paul McAdams, Mayor, City Hall, Henderson, Tenn. 38340.	Do.
Do	Gibson	Milan, town of	H 47 0060 01 through H 47 0060 03	do	Cecil Bryant, Mayor, Milan, Tenn. 38358.	Do.
Do	Overton	Livingston, city of.	H 47 0143 01 through H 47 0143 02	do	Mayor, City Hall, Livingston, Tenn. 38570.	Do.
Do	Putnam	Cookeville, city of.	H 47 0150 01 through H 47 0150 06	do	Mayor, City Hall, Cookeville, Tenn. 38501.	Do.
Do	Sumner	Portland, town of	H 47 0187 01 through H 47 0187 02	do	Portland City Council, Russell St., Portland, Tenn. 37148.	Do.
Do	Coffee	Manchester, city of.	H 47 031 1550 01 through H 47 031 1550 02	do	City Hall, 200 West Fort St., Manchester, Tenn. 37355.	Do.
Do	do	Tullahoma, city of.	H 47 031 2470 01 through H 47 031 2470 23	do	City Hall, Power Bldg. on Jackson St., Tullahoma, Tenn. 37388.	Do.
Do	Giles	Pulaski, city of	H 47 055 1980 01 through H 47 055 1980 06	do	Mayor, City Hall, Pulaski, Tenn. 38478.	Do.
Do	Sequatchie	Dunlap, city of	H 47 153 0690 01 through H 47 153 0690 05	do	Mayor, City Hall, Dunlap, Tenn. 37327.	Do.
Texas	Austin	Wallis, city of	H 48 0018 01	Texas Water Development Board, P.O. Box 13087, Capitol Station, Austin, Tex. 78711. Texas Insurance Department, 1110 San Jacinto St., Austin, Tex. 78701.	Mayor, City Hall, Wallis, Tex. 77485	Do.
Do	Bell	Harker Heights, city of.	H 48 0029 01 through H 48 0029 02	do	Mayor, City Hall, 110 Harley Dr., Harker Heights, Tex. 76541.	Do.
Do	do	Nolanville, city of.	H 48 0032 01 through H 48 0032 02	do	Mayor, City Hall, Main and Avenue G, Nolanville, Tex. 76559.	Do.
Do	Bexar	Live Oak, city of	H 48 0043 01 through H 48 0043 03	do	City of Live Oak, 7906 Village Oak, San Antonio, Tex. 78233.	Do.
Do	Bowie	DeKalb, town of	H 48 0055 01 through H 48 0055 02	do	Mayor, City Hall, DeKalb, Tex. 75559.	Do.
Do	Brazoria	Jones Creek, village of.	H 48 0072 01 through H 48 0072 02	do	Office of the Mayor, village of Jones Creek, State Highway 36, Route 3, Freeport, Tex. 77541.	Do.
Do	Collin	McKinney, city of.	H 48 0135 01 through H 48 0135 07	do	Mayor, 117 West Lane, McKinney, Tex. 75069.	Do.
Do	Bailey	Muleshoe, town of	H 48 017 4780 01 through H 48 017 4780 02	do	City Manager, City Hall, Muleshoe, Tex. 79347.	Do.
Do	Gaines	Seagraves, city of	H 48 0239 01	do	Mayor, City Hall, Seagraves, Tex. 79359.	Do.
Do	do	Seminole, city of	H 48 0240 01	do	Mayor, City Hall, Seminole, Tex. 79360.	Do.
Do	Gregg and Rusk	Kilgore, city of	H 48 0263 01 through H 48 0263 05	do	City Manager, Kilgore, Tex. 75662	Do.
Do	Bexar	Castle Hills, city of.	H 48 029 1209 01	do	Mayor, city of Castle Hills, San Antonio, Tex. 78213.	Do.
Do	Harris	Pasadena, city of	H 48 0307 01 through H 48 0307 22	do	Mayor, P.O. Box 672, Pasadena, Tex. 77501.	Do.
Do	Brazoria	Danbury, city of	H 48 039 1745 01	do	Mayor, city of Danbury, Danbury, Tex. 77534.	Do.
Do	Booker	Ochiltree and Lipscomb.	H 48 0444 01	do	Mayor, Booker, Tex. 79005	Do.
Do	Brown	Brownwood, city of.	H 48 049 0950 01 through H 48 049 0950 08	do	Mayor, City Hall, P.O. Box 1389, Brownwood, Tex. 76801.	Do.
Do	Roberts	Miami, city of	H 48 0541 01	do	Mayor, Miami, Tex. 79059	Do.
Do	Caldwell	Luling, city of	H 48 055 4170 01 through H 48 055 4170 02	do	Mayor, Luling, Tex. 78648	Do.
Do	Calhoun	Point Comfort, city of.	H 48 057 5412 01	do	Mayor, city of Point Comfort, Point Comfort, Tex. 77978.	Do.
Do	Sterling	Sterling City, town of.	H 48 0579 01	do	Mayor, city of Sterling City, Sterling City, Tex. 76951.	Do.
Do	Cameron	Brownsville, city of.	H 48 061 0940 01 through H 48 061 0940 08	do	Office of the City Engineer, City Hall, P O Box 911, Brownsville, Tex. 78520	Do.
Do	Tarrant	White Settlement, city of.	H 48 0617 01 through H 48 0617 10	do	Mayor, city of White Settlement, 214 Meadow Park Dr., Fort Worth, Tex. 76108.	Do.

State	County	Location	Map No.	State map repository	Local map repository	Effective date of identification of areas which have special flood hazards
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Do.	Upshur	Gilmer, city of	H 48 0625 01 through H 48 0625 02	do	City Manager, Gilmer, Tex 75644	Do.
Do.	Washington	Brenham, city of	H 48 0648 01 through H 48 0648 04	do	Mayor, City Hall, Brenham, Tex. 77833.	
Do.	Wilson	Poth, city of	H 48 0672 01 through H 48 0672 02	do	Mayor, City Hall, Poth, Tex. 78147	Do.
Do.	Yoakum	Plains, city of	H 48 0683 01	do	Mayor, City Hall, Plains, Tex. 79355	Do.
Do.	Castro	Dimmitt, city of	H 48 069 1940 01 through H 48 069 1940 03	do	City Manager, City Hall, Dimmitt, Tex. 79027.	May 10, 1974.
Do.	Cherokee	Jacksonville, city of.	H 48 073 3470 01	do	Mayor, city of Jacksonville, Jacksonville, Tex. 75766.	May 24, 1974.
Do.	Crosby	Crosbyton, city of.	H 48 107 1630 01	do	Mayor, City Offices, Crosbyton, Tex. Tex. 79322.	May 10, 9741
Do.	Dallas and Collin	Richardson, city of.	H 48 113 5730 01 through H 48 113 5730 09	do	Mayor, P.O. Box 309, Richardson, Tex. 75080.	May 24, 1974.
Do.	Dallas	University Park, city of.	H 48 113 7080 04	do	Mayor, P.O. Box 8005, city of University Park, Dallas, Tex. 75205.	Do.
Do.	Gonzales	Gonzales, city of	H 48 177 2720 01 through H 48 177 2720 03	do	Mayor, city of Gonzales, Gonzales, Tex. 78626.	Do.
Do.	Karnes	Karnes City, city of.	H 48 255 3570 01	do	Mayor, City Hall, Karnes City, Tex. 78118.	May 10, 1974.
Do.	Leon	Oakwood, town of.	H 48 289 5000 01	do	Mayor, Bank Bldg., Oakwood, Tex. 75855.	May 24, 1974.
Do.	Mason	Mason, city of	H 48 319 4380 01 through H 48 319 4380 03	do	Mayor, Mason, Tex. 76856	May 10, 1974.
Do.	Maverick	Eagle Pass, city of.	H 48 323 2060 02	do	Mayor, City Hall, Eagle Pass, Tex. 78852.	May 24, 1974.
Do.	Moore	Sunray, city of	H 48 341 6690 01 through H 48 341 6690 02	do	Mayor, City Hall, Sunray, Tex. 79086	Do.
Do.	Orange	Bridge City, city of.	H 48 361 0885 01 through H 48 361 0885 02	do	City Hall, 220 Nitsche St., Bridge City, Tex. 77611.	Do.
Do.	Parker	Springtown, city of.	H 48 367 6555 01 through H 48 367 6555 02	do	Mayor, Springtown, Tex. 76082	Do
Do.	Pecos	Fort Stockton, city of.	H 48 371 2440 02	do	City Manager, Fort Stockton, Tex. 79735.	Do
Do.	Polk	Corrigan, city of	H 48 373 1560 01	do	Mayor, Corrigan, Tex. 75939	Do
Do.	Val Verde	Del Rio, city of	H 48 465 1820 01 through H 48 465 1820 12	do	City of Del Rio, Office of the Inspector, Del Rio, Tex. 78840.	Do
Do.	Walker	Huntsville, city of.	H 48 471 3340 01 through H 48 471 3340 05	do	City Manager, P.O. Drawer 831, Huntsville, Tex. 77340.	Do
Do.	Winkler	Kermit, city of	H 48 495 3660 01 through H 48 495 3660 04	do	Mayor, Kermit, Tex. 79745	Do
Do.	Yoakum	Denver City, town of.	H 48 501 1850 01	do	Mayor, City Hall, Denver City, Tex. 79323.	Do
Utah	Cache	Hyrum, city of	H 49 005 0780 01	Department of Natural Resources, Division of Water Resources, State Capitol Bldg., Room 434, Salt Lake City, Utah 84114. Utah Insurance Department, 115 State Capitol, Salt Lake City, Utah 84114.	Mayor, Reece D. Nielson, 105 South 6 East, Hyrum, Utah 84319.	Do.
Do.	Emery	Ferron, town of	H 49 0060 01	do	Mayor, City Hall, Ferron, Utah 84523	Do.
Do.	do	Huntington, city of.	H 49 0063 01	do	Mayor, City Bldg., Huntington, Utah 84528.	Do.
Do.	Sevier	Richfield, city of	H 49 0131 01 through H 49 0131 02	do	Mayor, City Hall, Richfield, Utah 84701.	Do.
Virginia	Independent	Charlottesville, city of.	H 51 000 0440 01 through H 51 000 0440 03	Bureau of Water Control Management, State Water Control Board, 2d floor, Davenport Bldg., 11 South 10th St., Richmond, Va. 23219. Virginia Insurance Department, 200 Blanton Bldg., P.O. Box 1157, Richmond, Va. 23209.	Mayor, City Hall, Charlottesville, Va. 23923.	Do.
Do.	Brunswick	Lawrenceville, town of.	H 51 025 1420 01 through H 51 025 1420 02	do	E. N. Doyle, Jr., Mayor, Town Council, 101 East Church St., Lawrenceville, Va. 23868.	Do.
Do.	Buchanan	Grundy, town of	H 51 027 1150 01 through H 51 027 1150 02	do	Mayor, Town Hall, Grundy, Va. 24614.	Do.
Do.	Hanover	Ashland, town of	H 51 085 0110 01	do	Town Manager, P.O. Box 271, Ashland, Va. 23005.	Do.
Do.	Tazewell	Richlands, town of.	H 51 185 2050 01 through H 51 185 2050 04	do	Town Manager, 217 Railroad Ave., Richlands, Va. 24641.	Do.
Washington	Chelan	Leavenworth, city of.	H 53 0020 01	Department of Ecology, Olympia, Wash. 98501. Washington Insurance Department, Insurance Bldg., Olympia, Wash. 98501.	Mayor, City Hall, 815 Front St., Leavenworth, Wash. 98826.	Do.
Do.	Douglas	Waterville, town of.	H 53 0040 01	do	Mayor, Waterville, Wash. 98858	Do.
Do.	Grant	Coulee City, town of.	H 53 0050 01	do	City Council, Coulee City, Wash. 99115.	Do.
Do.	Lincoln	Davenport, city of.	H 53 0100 01	do	Mayor, City Hall, Davenport, Wash. 99122.	Do.
Do.	do	Sprague, city of	H 53 0113 01	do	Mayor, City Hall, Sprague, Wash. 99032.	Do.
Do.	Okanogan	Oroville, town of	H 53 0121 01	do	Town of Oroville, Town Hall, 1310 Ironwood, Oroville, Wash. 98844.	Do

State	County	Location	Map No.	State map repository	Local map repository	Effective date of identification of areas which have special flood hazards
Do	Pacific	Ilwaco, town of	H 53 0127 01	do	Mayor, City Hall, Ilwaco, Wash. 98624.	Do.
Do	do	Long Beach, town of.	H 53 0128 01 through H 53 0128 02	do	Mayor, City Hall, Long Beach, Wash. 98631.	Do.
Do	Pend Oreille	Newport, town of.	H 53 0137 01	do	Mayor, City Hall, Newport, Wash. 99156.	Do.
Do	Pierce	Fife, city of	H 53 0140 01 through H 53 0140 02	do	Mayor, city of Fife, Fife, Wash. 98424.	Do.
Do	Skagit	Burlington, city of.	H 53 0153 01	do	Chairman, Board of Skagit County, Commissioners, Skagit County Courthouse, city of Burlington, Mount Vernon, Wash. 98273.	Do.
Do	do	La Conner, town of.	H 53 0156 01	do	Chairman, Board of Skagit County, Commissioners, Skagit County Courthouse, town of La Conner, Mount Vernon, Wash. 98273.	Do.
Do	Spokane	Spokane, city of	H 53 0183 01 through H 53 0183 25	do	Office of the Bldg., Director, City Hall, North 221 Wall St., Spokane, Wash. 99201.	Do.
Do	Walla Walla	College Place, city of.	H 53 0195 01 through H 53 0195 02	do	City Council, City Hall, College Place, Wash. 99324.	Do.
Do	Whitman	Albion, town of	H 53 0206 01	do	Mayor, City Hall, Albion, Wash. 99102.	Do.
Do	do	Palouse, city of	H 53 0211 01	do	Mayor, City Hall, Palouse, Wash. 99161.	Do.
Do	do	Rosalia, town of	H 53 0213 01	do	Mayor, City Hall, Rosalia, Wash. 99170.	Do.
Do	Yakima	Mabton, town of	H 53 0221 01	do	County Commissioners, Yakima Courthouse, town of Mabton, Yakima, Wash. 98902.	Do.
Do	Clark	Battle Ground, town of.	H 53 0025 01	do	City Council, City Hall, Battle Ground, Wash. 98604.	Do.
Do	Island	Oak Harbor city of.	H 53 0068 01 through H 53 0068 04	do	Mayor, City Hall, Oak Harbor, Wash. 98277.	Do.
Do	King	Auburn, city of	H 53 0073 01 through H 53 0073 08	do	Mayor, City Hall, 20 A St. NW., Auburn, Wash. 98022.	Do.
Do	Klickitat	Goldendale, city of.	H 53 0101 01	do	Mayor, City Hall or, County Commissioners, Courthouse, Goldendale, Wash. 98620.	Do.
Do	Pierce	Puyallup, city of	H 52 0144 01 through H 53 0144 04	do	City Manager, city of Puyallup, Puyallup, Wash. 98371.	Do.
Do	Yakima	Wapato, city of	H 53 0230 01	do	Mayor, City Hall, Wapato, Wash. 98951.	Do.
Do	Grays Harbor	Cosmopolis, town of.	H 53 027 0450 01	do	Mayor, City Hall, Cosmopolis, Wash. 98537.	Do.
Do	King	Bothell, city of	H 53 033 0170 01 through H 53 033 0170 04	do	Mayor, City Hall, Bothell, Wash. 98011.	Do.
Do	do	Tukwila, city of	H 53 033 2310 01 through H 53 033 2310 03	do	Mayor, City Hall, 14475 59th Ave. South, Tukwila, Wash. 98067.	Do.
Do	Lewis	Morton, city of	H 53 041 1380 01	do	Mayor, City Hall, Morton, Wash. 98356.	Do.
Do	Okanogan	Tonasket, town of.	H 53 047 2290 01	do	Mayor, City Hall, Tonasket, Wash. 98855.	Do.
Do	Whatcom	Everson, town of	H 53 073 0700 01	do	Mayor, City Hall, Everson, Wash. 98247.	Do.
Do	do	St. John, town of	H 53 075 1950 01	do	Mayor, St. John, Wash. 99171	Do.
West Virginia	Brooke	Follansbee, city of.	H 54 009 0930 01	Office of Federal-State Relations, Room West 115, Capitol Bldg., Charleston, W. Va. 25305. West Virginia Insurance Department, State Capitol, Charleston, W. Va. 25305.	Mayor, City Bldg., Follansbee, W. Va. 26073.	Do.
Do	Fayette and Kanawha.	Montgomery, city of.	H 54 019 1810 01	do	Mayor, town of Montgomery, Montgomery, W. Va. 25136.	Do.
Do	McDowell	Iaeger, town of	H 54 047 1300 01 through H 54 047 1300 03	do	Mayor, Town Hall, Iaeger, W. Va. 24844.	Do.
Do	do	Northfork, town of.	H 54 047 1950 01	do	Mayor, Town Hall, Northfork, W. Va. 24868.	Do.
Do	Mercer	Bramwell, town of.	H 54 055 0300 01 through H 54 055 0300 02	do	Mayor, Town Hall, Bramwell, W. Va. 24715.	Do.
Do	Tyler	Middlebourne, town of.	H 54 095 1740 01	do	Mayor, City Bldg., Middlebourne, W. Va. 26149.	Do.
Do	Tyler and Wetzel	Paden City, city of.	H 54 103 2010 01 through H 54 103 2010 02	do	Mayor, City Bldg., Paden City, W. Va. 26159.	Do.
Do	Wetzel	Pine Grove, town of.	H 54 103 2130 01	do	Wetzel County Court, town of Pine Grove, New Martinsville, W. Va. 26155.	Do.
Wisconsin	Brown	Pulaski, village of	H 55 0024 01	Department of Natural Resources, P.O. Box 450, Madison, Wis. 53701. Wisconsin Insurance Department, 212 North Bassett St., Madison, Wis. 53701.	Village President, Village Hall, Pulaski, Wis. 54162.	Do.
Do	Chippewa	Bloomer, city of	H 55 0042 01	do	Mayor, City Hall, Bloomer, Wis. 54724.	Do.
Do	Clark	Thorp, city of	H 55 0055 01	do	Mayor, Thorp, Wis. 54771	Do.
Do	Dane	Oregon, village of	H 55 0089 01	do	Village President, Oregon, Wis. 53575.	Do.
Do	Dodge	Fox Lake, city of	H 55 0097 01	do	Mayor, City Hall, Fox Lake, Wis. 53933.	Do.
Do	Eau Claire	Fall Creek, village of.	H 55 0130 01	do	Village President, Village Hall, Fall Creek, Wis. 54742.	Do.
Do	Fond du Lac	Campbellsport, village of.	H 55 0133 01	do	President, Village Hall, Campbellsport, Wis. 53010.	Do.

State	County	Location	Map No.	State map repository	Local map repository	Effective date of identification of areas which have special flood hazards
Do	do	Oakfield, village of.	H 55 0139 01	do	President, Village Hall, Oakfield, Wis. 53065.	Do.
Do	do	Ripon, city of	H 55 0140 01 through H 55 0140 02	do	Mayor, City Hall, Ripon, Wis. 54971	Do.
Do	Green	New Glarus, village of.	H 55 0164 01	do	President, New Glarus, Wis. 53574	Do.
Do	Juneau	Lyndon Station, village of.	H 55 0203 01	do	Village President, Village Hall, Lyndon Station, Wis. 53944.	Do.
Do	Manitowoc	Valders, village of.	H 55 0244 01	do	Village President, Village Hall, Valders, Wis. 54245.	Do.
Do	Marinette	Wausaukee, village of.	H 55 0264 01	do	Village President, Village Hall, Wausaukee, Wis. 54177.	Do.
Do	Marquette	Westfield, village of.	H 55 0269 01	do	Village President, Westfield, Wis. 53964.	Do.
Do	Oconto	Lena, village of	H 55 0296 01	do	Village President, Village Hall, Lena Wis. 54139.	Do.
Do	Ozaukee	Thiensville, village of.	H 55 0318 01	do	Village Hall, Thiensville, Wis. 53092	Do.
Do	Polk	Luck, village of	H 55 0335 01	do	Mayor, Luck, Wis. 54853	Do.
Do	do	St. Croix Falls, city of.	H 55 0337 01 through H 55 0337 02	do	Mayor, City Hall, St. Croix Falls, Wis. 54024.	Do.
Do	Racine	Sturtevant, village of.	H 55 0353 01	do	Village President, 3111 91 St., Sturtevant, Wis. 53177.	Do.
Do	Rusk	Bruce, village of	H 55 0370 01	do	President, Village Board, Bruce, Wis. 54819.	Do.
Do	St. Croix	Woodville, village of.	H 55 0390 01	do	President, Woodville, Wis. 54028	Do.
Do	Rock	Orfordville, village of.	H 55 0369 01	do	Village President, Orfordville, Wis. 53576.	Do.
Do	Shawano	Bonduel, village of.	H 55 0414 01	do	Village President, Village Hall, Bonduel, Wis. 54107.	Do.
Do	do	Tigerton, village of.	H 55 0422 01	do	Village President, Village Hall, Tigerton, Wis. 54486.	Do.
Do	do	Wittenberg, village of.	H 55 0423 01	do	Village President, Village Hall, Wittenberg, Wis. 54499.	Do.
Do	Taylor	Rib Lake, village of.	H 55 0436 01	do	President, Village Board, Rib Lake, Wis. 54470.	Do.
Do	Walworth	East Troy, village of.	H 55 0464 01	do	Village President, East Troy, Wis. 53120.	Do.
Do	Wood	Nekoosa, city of	H 55 0516 01	do	Mayor, City Hall, Nekoosa, Wis. 54457	Do.
Wyoming	Carbon	Rawlins, city of	H 56 007 0690 01	Wyoming Disaster and Civil Defense Agency, P.O. Box 1709, Cheyenne, Wyo. 82001. Department of Insurance, State of Wyoming, State Office Bldg., Cheyenne, Wyo. 82001.	Mayor, Rawlins, Wyo. 82301	Do.

(National Flood Insurance Act of 1968 (title XIII of the Housing and Urban Development Act of 1968), effective Jan. 28, 1969 (33 FR 17804, Nov. 28, 1968), as amended (secs. 408–410, Pub. L. 91–152, Dec. 24, 1969) (42 U.S.C. 4001–4127); and Secretary's delegation of authority to Federal Insurance Administrator, 34 FR 2680, Feb. 27, 1969)

Issued: May 20, 1974.

GEORGE K. BERNSTEIN,
Federal Insurance Administrator.

[FR Doc.74–12376 Filed 5–31–74;8:45 am]

Title 29—Labor

CHAPTER XVII—OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION, DEPARTMENT OF LABOR

PART 1910—OCCUPATIONAL SAFETY AND HEALTH STANDARDS

Miscellaneous Amendments; Correction

Pursuant to authority in sections 6 and 8(g) of the Williams-Steiger Occupational Safety and Health Act of 1970 (84 Stat. 1593, 1600; (29 U.S.C. 655, 657)) and in Secretary of Labor's Order No. 12–71 (36 FR 8754), Part 1910 of Title 29 of the Code of Federal Regulations is hereby amended as set forth below.

A number of typographical and clerical errors appeared in Part 1910 of Title 29 of the Code of Federal Regulations (37 FR 22103). The purpose of this amendment is to correct the errors in the standards text.

Since the corrections make no substantive change in the standards, it is not necessary to provide notice of proposed rulemaking, opportunity for public participation therein, nor any delay in the effective date under either section 6(b) of the Williams-Steiger Occupational Safety and Health Act of 1970 or 5 U.S.C. 553.

Effective June 3, 1974, Part 1910 of Title 29 is amended as follows:

1. Section 1910.21(f)(31) is amended by correcting the heading *"Toe board"* to read *"Toeboard"*.

2. Section 1910.21(g)(16) is amended by correcting the heading *"Toe board"* to read *"Toeboard"*.

3. Section 1910.25(c)(1)(iii)(c) is amended by correcting "B_1D_1" to read "B_1, D_1" and "B_2D_2" to "B_2, D_2".

4. Section 1910.25(c)(2)(iv)(c)(*1*) is amended by correcting "slates" to read "slats".

5. Section 1910.28(b)(12) is amended by correcting "from" to read "form".

6. Section 1910.31 is amended by correcting the last item in the list of sources of standards to read as follows:

§ 1910.30(c)	ANSI O1.1–1954 (R-1961), Safety Code for Woodworking Machinery.

7. Section 1910.37(q)(6) is amended by correcting "5-foot candles" to read "5 foot-candles".

8. Section 1910.66 is amended by correcting the heading "Power" to read "Powered".

9. Section 1910.94(b)(5)(i)(*a*) is amended by correcting the reference "American National Standards Code for the Use, Care, and Protection of Abrasive Wheels, B7.1–1970" to read "American National Standard Safety Code for the Use, Care, and Protection of Abrasive Wheels, B7.1–1970".

10. Section 1910.94(d)(9)(vi) is amended by correcting the reference to "subparagraph (2)(ii)" in the sixth line to read "subparagraph (2)(iii)".

11. Figure G–9 in § 1910.95 is amended by correcting the reference to "Table I.G–16" in the last sentence to read "Table G–16".

12. Figure G–9 in § 1910.95 is amended by correcting the "30" on the Octave Band Sound Pressure Level in Decibels axis to read "80".

13. Table G–16 in § 1910.95 is amended by correcting "C1/T1+C2/T2 Cn/Tn" to read $C_1/T_1+C_2/T_2+ \ldots C_n/T_n$".

14. Section 1910.96(b)(2)(iii) is amended by correcting the second sentence to read "As used in this subparagraph "Dose to the whole body" shall be deemed to include any dose to the whole body, bonad, active bloodforming organs, head and trunk, or lens of the eye".

15. Section 1910.103(c)(3)(ii)(*d*) is amended by correcting the reference "subparagraph (i)(ix)(b)" in the fourth line to read "subparagraph (1)(ix)(b)".

16. Section 1910.107(a)(5) is amended by correcting the reference "subparagraph (3)" to read "subparagraph (4)".

17. Section 1910.109(i)(2)(iii)(*c*) is amended by correcting the word "manual" to read "Manual".

18. Section 1910.109(i)(6)(i)(*a*) is amended by correcting the paragraph designations to read as follows:

§ 1910.109 Explosives and blasting agents.

* * * * *

(i) * * *

(6) *General precautions.* (i) Electrical installations shall conform to the requirements of Subpart S of this part, for ordinary locations. They shall be designed to minimize damage from corrosion.

(ii) In areas where lightning storms are prevalent, lightning protection shall be provided. (See the Lightning Protection Code, NFPA 78–1968.)

(iii) Provisions shall be made to prevent unauthorized personnel from entering the ammonium nitrate storage area.

19. Section 1910.110(b)(14)(xvi) is amended by correcting the paragraph designated (b)(14)(xvi) to read (b)(14)(xiv).

20. Section 1910.115 is amended by correcting the fifth and eighth items in the list of sources of standards to read as follows:

§ 1910.105–106	NFPA No. 30–1969, Flammable and Combustible Liquids Code.
§ 1910.109	NFPA No. 495–1970, Code for the Manufacture, Transportation, Storage, and Use of Explosives and Blasting Agents.

21. Section 1910.147 is amended by correcting the fifth item in the list of sources of standards to read as follows:

§ 1910.145(a)–(e)	ANSI Z35.1–1968, Specifications for Accident Prevention Signs and ANSI B114.1–1971, Slow-Moving Vehicle Identification Emblem.

22. Section 1910.157(c)(4)(iii) is amended by correcting the reference to "Subparagraph (5)" to read "subparagraph (3)".

23. Table L–3 in § 1910.157(d)(4)(iii) is amended by correcting the third extinguisher type referenced "Storage-pressure water and/or antifreeze" to read "Stored-pressure water and/or antifreeze".

24. Section 1910.168(a)(15) is amended by inserting initial quotation marks before the word "Specifications" in eighth line.

25. Section 1910.178(c)(2) is amended by deleting the third sentence of the paragraph.

26. Section 1910.179(g)(3)(vii) is amended by correcting the word "related" to read "released".

27. Section 1910.180(f)(1) is amended by correcting the paragraph designation .180(f)(1) to .180(f).

28. Section 1910.213(p)(4) is amended by correcting the word "contract" in the second sentence to read "contact".

29. Table O–6 in § 1910.215 is amended by correcting the first minimum outside diameter of flanges in column B from "⅝" to "⅜".

30. Section 1910.217(b)(7)(vii) is amended by correcting the second paragraph designated as .217(b)(7)(vii) to .217(b)(7)(viii).

31. Section 1910.221 is amended by correcting the second, sixth, and seventh items in the list of sources of standards to read as follows:

§ 1910.213	ANSI O1.1–1954 (R-1971), Safety Code for Woodworking Machinery.
§ 1910.217	ANSI B11.1–1971, Safety Standard for Construction, Care, and Use of Mechanical Power Presses.
§ 1910.218	ANSI B24.1–1971, Safety Standard for Forging.

32. Section 1910.246 is amended by correcting the eighth, ninth, and tenth items in the list of sources of standards to read as follows:

1910.243(c)	ANSI B7.1–1970, Safety Code for the Use, Care, and Protection of Abrasive Wheels.
1910.243(d)	ANSI A10.3–1970, Explosive Actuated Fastening Tools.
1910.243(e)	ANSI B71.1–1968, Safety Specifications for Power Lawn Mowers.

33. Section 1910.252(a)(6)(vi)(*a*)(*6*) is amended by correcting "*Provided, however,* That" in the fourth line to read "provided, however, that".

34. Section 1910.252(b)(2)(iii)(*b*)(2) is amended by correcting the word "*Automatic*" to read "Automatic".

35. Section 1910.254 is amended by correcting the third, fifth, and sixth items in the list of standards organizations to read as follows:

(c) Compressed Gas Association, Inc., 500 Fifth Avenue, New York, N.Y. 10036

(e) American Welding Society, 345 East 47th Street, New York, N.Y. 10017

(f) Rubber Manufacturers Association, 444 Madison Avenue, New York, N.Y. 10022

36. Section 1910.261(e)(11) is amended by correcting the word "marker" to read "barker".

37. Section 1910.262(b)(22) is amended by correcting the word "calendar" to read "calender".

38. Section 1910.262(m) is amended by correcting the heading "*Silver and ribbon lappers (cotton)*" to read "*Sliver and ribbon lappers (cotton)*".

39. Section 1910.263(1)(9)(ix) is amended by correcting the heading "*Flues and dampers*" to read "Flues and dampers".

40. Section 1910.265(a)(2) is amended by correcting the reference "1910.05" in the last sentence to read "1910.5".

41. Section 1910.266(a)(2) is amended by correcting the reference "1910.05" to read "1910.5".

42. Section 1910.266(c)(2)(vii) is amended by correcting "Hands tools" to read "Handtools".

43. Section 1910.268 is amended by correcting the last item in the lists of sources of standards to read as follows:

1910.266	ANSI O3.1–1971, Pulpwood Logging Safety Standards.

44. Section 1910.309(a) is amended by correcting the sixteenth and twentieth items in the list of sections to read as follows:

110–17 (a), (b), and (c)	Guarding of Live Parts.
240–16 (a), (b), (c), and (d)	Location in Premises (for Overcurrent Protection Devices).

45. The following sections are amended by correcting the reference "National Electrical Code, NFPA 70–1971; ANSI C1–1971 (Rev. of 1968)" to read "National Electrical Code, NFPA No. 70–1971; ANSI C1–1971 (Rev. of C1–1968)":

§ 1910.66(c)(22)(i)
§ 1910.66(c)(22)(vii)
§ 1910.68(b)(4)
§ 1910.68(c)(5)(iv)(*c*)
§ 1910.94(a)(2)(iii)
§ 1910.103(b)(3)(iii)(*e*)
§ 1910.178(c)(2)
§ 1910.308(a)
§ 1910.308(d)
§ 1910.309(a)
§ 1910.309(b)

Signed at Washington, D.C., this 23 day of May 1974.

JOHN STENDER,
Assistant Secretary of Labor.

[FR Doc.74–12643 Filed 5–31–74;8:45 am]

PART 1926—OCCUPATIONAL SAFETY AND HEALTH STANDARDS FOR CONSTRUCTION

Miscellaneous Amendments; Corrections

Pursuant to authority in sections 6 and 8(g) of the Williams-Steiger Occupational Safety and Health Act of 1970 (84 Stat. 1593, 1600; (29 U.S.C. 655, 657)), in Secretary of Labor's Order No. 12–71 (36 FR 8754), and section 107 of the Contract Work Hours and Safety Standards Act, as amended (83 Stat. 96: 40 U.S.C. 333), Part 1926 of Title 29 of the Code of Federal Regulations is hereby amended as set forth below.

A number of typographical and clerical errors appeared in Part 1926 of Title 29 of the Code of Federal Regulations (37 FR 27503). The purpose of this amendment is to correct the errors in the standards text.

Since the corrections make no substantive change in the standards, it is not necessary to provide notice of proposed rulemaking, opportunity for public participation therein, nor any delay in the effective date under section 6(b) of the Williams-Steiger Occupational Safety and Health Act of 1970 or section 107 of the Contract Work Hours and Safety Standards Act or 5 U.S.C. 553.

Effective June 3, 1974, Part 1926 of Title 29 is amended as follows:

1. Section 1926.451(d)(8) is amended by correcting the word "or" to read "of".

2. Section 1926.500(d)(1) is amended by correcting the reference "paragraph (f)(i)" in the first sentence to read "paragraph (f)(1)".

3. Section 1926.914(e) is amended by correcting the word "furnished" in the seventh line to read "finished".

Signed at Washington, D.C., this 28th day of May, 1974.

JOHN STENDER,
Assistant Secretary of Labor.

[FR Doc.74–12644 Filed 5–31–74;8:45 am]

Title 31—Money and Finance: Treasury

SUBTITLE A—OFFICE OF THE SECRETARY OF THE TREASURY

PART 0—STANDARDS OF CONDUCT

PART 3—CLAIMS REGULATIONS

Miscellaneous Amendments

The Department of the Treasury finds it necessary to amend its regulations in Part 0 and Part 3 in order to make them conform to the reorganization of the Fiscal Service as mandated by Treasury Department Orders No. 229 and 229–1, appearing at 39 FR 2280 and 39 FR 10454 respectively. In particular Part 0, Appendix A, is amended to change the reference therein from the Bureau of Accounts to the Bureau of Government Financial Operations and to amend the list of the officers and employees of such Bureau who are required to file statements of financial interests. Part 0, Appendix A, is further amended to delete the references to the Treasurer of the United States and to the Office of the Treasurer of the United States. In addition, Part 3, § 3.7(c), is amended to change the reference therein from the Bureau of Accounts to the Bureau of Government Financial Operations.

The Department finds that notice to the public, of these amendments, is not necessary under 5 U.S.C. 553 as the amendments are wholly intra-Departmental and have no public effect. Therefore, Title 31 of the Code of Federal Regulations, Subtitle A, is amended as follows:

1. Part 0, Appendix A, is amended by:

(a) Deleting the paragraph entitled *Bureau of Accounts.*

(b) Inserting after the paragraph entitled *Bureau of Engraving and Printing* the following:

Bureau of Government Financial Operations:

All officials GS–16 and above.
Director, Domestic Banking Staff.
Director, Foreign Banking Staff.
Director, Division of Facilities Management.
Assistant Comptroller, Audit Staff.
Chief, Procurement Branch.

(c) Deleting the paragraph entitled *Office of the Treasurer, United States.*

2. Part 3, § 3.7(c), is amended by substituting a reference to the "Bureau of Government Financial Operations" for the reference to the "Bureau of Accounts."

These amendments shall become effective on June 3, 1974, retroactive to February 1, 1974 and March 12, 1974, the effective dates of Treasury Department Orders No. 229 and 229–1.

(Treasury Department Orders No. 229 and 229–1)

Dated: May 28, 1974.

[SEAL] WARREN F. BRECHT,
Assistant Secretary for Administration.

[FR Doc.74–12611 Filed 5–31–74;8:45 am]

Title 32—National Defense

CHAPTER XII—DEFENSE SUPPLY AGENCY

SUBCHAPTER B—MISCELLANEOUS

[DSA Reg. 5515.2]

PART 1280—INVESTIGATING AND PROCESSING CERTAIN NONCONTRACTUAL CLAIMS AND REPORTING RELATED LITIGATION

APRIL 3, 1974.

The Defense Supply Agency is revising Part 1280 of Title 32, Code of Federal Regulations. The purpose of this revision is to provide current citations to the Army regulations which have superseded those previously prescribed for the processing of some claims. It reflects new Army claims processing procedures effected upon the reorganization of the Army. Finally, it provides specific procedures for Air Force processed claims.

Part 1280 is added to Title 32 of the Code of Federal Regulations, reading as set forth below. (This publication supersedes Part 1280 published in Volume 35, No. 184, dated Tuesday, September 22, 1970.)

Sec.
1280.1 Purpose and scope.
1280.2 Definitions.
1280.3 Significant changes.
1280.4 Responsibilities.
1280.5 Procedures.

AUTHORITY: 5 U.S.C. 301; 10 U.S.C. 125; 28 U.S.C. 2672; and DoD Directive 5105.22 dated December 9, 1965.

§ 1280.1 Purpose and scope.

(a) This Part 1280 provides procedures for investigating and processing claims and related litigation:

(1) By civilian and military personnel of DSA for property lost or damaged incident to service (31 U.S.C. 240–243).

(2) Incident to use of Government vehicles and other property of the United States not cognizable under other law (10 U.S.C. 2737).

(3) Based on Negligence of Civilian and Military Employees under the Federal Tort Claims Act, 28 U.S.C. 1346(b), 2671 thru 2680.

(4) In favor of the United States, other than contractual, for loss, damage, or destruction of real or personal property in the possession, custody, or control of DSA.

(b) This Part 1280 is applicable to HQ DSA and DSA field activities, except nonappropriated funds and related activities established pursuant to DSAR 1330.2, Open Messes and Other Military Sundry Associations and Funds, and DSAR 1330.4, Civilian Nonappropriated Funds and Related Activities. Claims involving these activities are processed pursuant to the regulations referenced therein.

§ 1280.2 Definitions.

(a) *Claims Investigating Officer.* A military officer or civilian employee of DSA, appointed in accordance with this Part 1280, to investigate and process claims within the purview of this Part 1280.

(b) *Member of the Army, member of the Navy, member of the Marine Corps, member of the Air Force.* Officers and enlisted personnel of these Military Services.

§ 1280.3 Significant changes.

This revision provides current citations to the Army regulations which have superseded those previously prescribed for the processing of some claims. It reflects the new Army claims processing procedures effected upon the reorganization of the Army. Finally, it provides specific procedures for Air Force processed claims.

§ 1280.4 Responsibilities.

(a) *DSA field activities.* (1) Heads of DSA Primary Level Field Activities are responsible for:

(i) Designating a qualified individual under their command, preferably one experienced in the conduct of investigations, as the Claims Investigating Officer for the activity.

(ii) Authorizing Heads of subordinate activities to appoint Claims Investigating Officers where necessary.

(2) The Commander, DSA Administrative Support Center (DSASC) is re-

sponsible for designating a qualified individual, preferably one experienced in the conduct of investigations, as the Claims Investigating Officer for DSASC and HQ DSA.

(3) Claims Investigating Officers are responsible for the expeditious conduct of all investigations and the processing of reports in accordance with appropriate Departmental regulations as prescribed by this Part 1280. To ensure prompt investigation of every incident while witnesses are available, and before damage has been repaired, the duties of personnel as Claims Investigating Officers will ordinarily have priority over any other assignments they may have.

(4) The Counsel, DSA Field Activities are responsible for:

(i) Receiving claims reports and information about related litigation, and processing these reports and information in accordance with this Part 1280 and appropriate Departmental regulations.

(ii) Providing directions and guidance to Claims Investigating Officers in the investigation and processing of claims.

(b) The Counsel, DSA (DSAH–G) is responsible for:

(1) Providing guidance to Counsel at DSA field activities on all claims and litigation matters within the purview of this Part 1280.

(2) Receiving claims reports and information on related litigation forwarded to HQ DSA, Attention: DSAH–G, and processing these in accordance with this Part 1280 and appropriate Departmental regulations.

(3) Maintaining this Part 1280 in a current status and reviewing it annually.

§ 1280.5 Procedures.[1]

(a) *Claims by military and civilian personnel of DSA for property lost or damaged incident to service (31 U.S.C. 240–243).* (1) The Claims Investigating Officer will conduct his investigation and prepare all necessary forms and reports in accordance with the appropriate portions of AR 27–20 where the claimant is a member of the Army or a DSA civilian employee; JAGINST 5800.7A where the claimant is a member of the Navy or Marine Corps; or AFM 112–1 where the claimant is a member of the Air Force.

(2) The completed report will be forwarded by the Claims Investigating Officer to one of the following activities for settlement:

(i) Where the claimant is a DSA civilian employee or a member of the Army; the Staff Judge Advocate designated in AR 27–20, Appendix F, as the Area Claims Authority where the claim arose.

(ii) Where the claimant is a member of the Navy or Marine Corps the cognizant adjudicating authority as listed in JAGINST 5800.7A, paragraph 2124.

(iii) Where the claimant is a member of the Air Force; the Base Staff Judge Advocate of the nearest Air Force Base.

(b) *Claims incident to the use of Government property not cognizable under any other law (10 U.S.C. 2737).* (1) The Claims Investigating Officer will conduct his investigation and prepare all necessary forms and reports in accordance with the appropriate portions of AR 27–20 where the claimant is a member of the Army or a DSA civilian employee; JAGINST 5800.7A where the claimant is a member of the Navy or Marine Corps; or AFM 112–1 where the claimant is a member of the Air Force.

(2) The completed report will be forwarded by the Claims Investigating Officer to the Counsel for his activity or, if the activity has no Counsel, to the next higher echelon having such a position.

(3) The activity Counsel receiving the Claims Investigating Officer's report will review the report, and take all necessary action to assure that it is complete and in accordance with the appropriate regulation. He will forward the report together with his comments and recommendations to one of the following activities for settlement. Where the incident giving rise to the claim was occasioned by an act or omission of:

(i) *DSA civilian personnel.* Counsel, DSA.

(ii) *A member of the Army.* The Staff Judge Advocate designated in AR 27–20, Appendix F, as the Area Claims Authority where the claim arose.

(iii) *A member of the Navy or Marine Corps.* The Director of the Navy Law Center in the Naval District in which the incident giving rise to the claim occurred.

(iv) *A member of the Air Force.* The Base Staff Judge Advocate of the Air Force Base nearest the place where the incident giving rise to the claim occurred.

(c) *Claims under the Federal Tort Claims Act arising from negligence of DSA military or civilian personnel.* (1) The Claims Investigating Officer will conduct his investigation and prepare all necessary forms and reports in accordance with the appropriate portions of AR 27–20 where the claim involves a member of the Army or a DSA civilian employee; JAGINST 5800.7A where the claim involves a member of the Navy or Marine Corps; or AFM 112–1 where the claim involves a member of the Air Force.

(2) The completed report of investigation will be forwarded by the Claims Investigating Officer to one of the following activities for settlement. Where the incident giving rise to the claim was occasioned by an act or omission of:

(i) *DSA civilian personnel or a member of the Army.* The Staff Judge Advocate designated in AR 27–20, Appendix F, as the Area Claims Authority where the incident giving rise to the claim occurred.

(ii) *A member of the Navy or Marine Corps.* The Director of the Navy Law Center in the Naval District in which the incident giving rise to the claim occurred.

(iii) *A member of the Air Force.* The Base Staff Judge Advocate of the Air Force Base nearest the place where the incident giving rise to the claim occurred.

(d) *Tort claims in favor of the United States for damage to or loss or destruction of DSA property, or property in its custody or control.* (1) These claims will be investigated and processed in accordance with the provisions of AR 27–40, Chapter 5, except:

(i) The duties of the claims officer will be performed by the Claims Investigating Officer.

(ii) The duties of the Staff Judge Advocate will be performed by Counsel, except where the property is a GSA motor pool system vehicle (see paragraph (e) of this section).

(iii) The reports of the Claims Investigating Officer will be furnished direct to Counsel for his activity or, if his activity has no Counsel, to the next higher echelon having such a position.

(iv) With respect to reports referred to them, Counsel are authorized to give receipts for any payments received and to execute releases where payment in full is received, except where the property is a GSA motor pool system vehicle (see paragraph (e) of this section). Offers of compromise will be processed pursuant to DSAM 7000.1, Chapter 12, Section V, paragraph 120502.

(v) Where payment in full is not received after reasonable efforts have been made to collect the claim administratively, Counsel will refer the case directly to the U.S. Attorney unless:

(*a*) The amount of the claim exceeds $10,000, in which event the case will be referred to Counsel, DSA.

(*b*) The amount of the debt is less than $250; or the record clearly shows that the debtor is unable to pay; or the debtor cannot be located; in which event the file may be closed and the debt treated as an uncollectable which does not have to be referred to the General Accounting Office.

(2) If, at any stage of the processing of a claim under paragraph (d), a claim is filed against the Government arising out of the same incident, or it becomes apparent that one will be filed, the claim under paragraph (d) will be treated as a counterclaim, and included under the report filed in accordance with the applicable paragraph of this Part 1280.

(e) *Claims involving GSA motor pool system vehicles.* (1) Where a motor pool system vehicle issued to a DSA activity is involved in an accident giving rise to a claim under the Federal Tort Claims Act, the claim will be handled pursuant to paragraph (c) of this section.

(2) In the event of damage to a motor pool system vehicle which is not due to the fault of the operator, Counsel receiving the report will submit the report to GSA's Regional Counsel for the region that issued the vehicle pursuant to the Federal Property Management Regulation, paragraph 101–39.805. Damages to motor pool system vehicles caused by the negligence of vehicle operator em-

[1] Copies of the Military Department regulations mentioned herein may be obtained from the Departments of the Army and Navy, and the Superintendent of Documents, U.S. Government Printing Office.

ployed by DSA or caused by the negligence or misconduct of any other officer or employee of DSA are reimbursed to General Services Administration (GSA). Determination affixing responsibility will be made by the Counsel to which the report is referred, after considering the views of GSA.

f. *Reporting legal proceedings.* (1) All process and pleadings served on any personnel or activity of DSA, and related to a claim covered by this Part 1280 or involving an incident which may give rise to a claim covered by this Part 1280, together with other immediately available data concerning the commencement of legal proceedings, will be promptly referred to Counsel for the activity involved, or, if the activity has no Counsel, to the next higher echelon having such a position.

(2) Any Military Service member or civilian employee of DSA (or his personal representative) against whom a domestic civil action or proceeding is brought for damage to property, or for personal injury or death, on account of his operation of a motor vehicle (Government- or privately-owned) in the scope of his employment (28 U.S.C. 2679) will:

(i) Upon receipt of process and pleadings or any other information regarding the commencement of such action or proceeding, immediately inform the Head of his activity and Counsel as specified in subparagraph (1) of this paragraph.

(ii) Promptly deliver all process and pleadings served upon him, or an attested true copy thereof, to Counsel.

(3) Upon receipt of information or process and pleadings pursuant to paragraph (f)(1) or (2) of this section, Counsel will promptly prepare and process reports in accordance with the appropriate portions of AR 27-40 except that:

(i) If the incident giving rise to the litigation was occasioned by an act or omission of a member of the Navy or Marine Corps, or a member of the Air Force, information and reports required to be furnished to The Judge Advocate General of the Army will be furnished instead to The Judge Advocate General of the Navy and Air Force respectively.

(ii) If the litigation is under the Federal Tort Claims Act and no administrative claim has been filed, Counsel will immediately advise the U.S. Attorney and furnish him a report of all information the activity has with respect to the claim and an affidavit by the Claims Investigating Officer to the effect that no administrative claim has been filed. Two copies of the foregoing will be provided to the appropriate Military Service Judge Advocate General. If an administrative claim has been filed and has been referred to a Military Service, a copy of the process and pleadings and any information not previously furnished will be sent to the appropriate Military Service Judge Advocate General.

By order of the Director, Defense Supply Agency.

GEORGE W. JOHNSON, JR.,
Colonel, U.S. Air Force
Staff Director, Administration.

[FR Doc.74-11875 Filed 5-31-74;8:45 am]

Title 33—Navigation and Navigable Waters

CHAPTER I—COAST GUARD, DEPARTMENT OF TRANSPORTATION

[CGD 74-40]

ENFORCEMENT; CIVIL AND CRIMINAL PENALTY PROCEDURES

This amendment revises the Coast Guard procedures for enforcement of the civil and criminal penalty provisions of all statutes that the Cost Guard is authorized to enforce.

Previously, civil and criminal penalty enforcement procedures appeared in 46 CFR, Subchapter 250. Subpart 250 is deleted in CGD 74-68 appearing at page 19481 of this issue of the FEDERAL REGISTER.

Since the adoption of the procedures in Subpart 2.50, the Coast Guard has been authorized to enforce new laws relating to environment, ports and waterways safety, and recreational boating, among others. These revised procedures apply to enforcement of the penalty provisions of the statutes to which Subpart 2.50 applied and the new statutes. As revised by this amendment the procedures appear in the general provisions of the Coast Guard regulations in Title 33.

The revised procedures implement the procedural requirements in recently enacted statutes such as The Federal Water Pollution Control Act (33 U.S.C. 1251). The revised procedures provide adequate notice as to violation and liabilities, and provide a fair and equitable system of penalty assessment consistent with all statutory safeguards including an opportunity for a hearing. The revised procedures permit the Coast Guard to pursue an effective law enforcement program with a fair and reasonable civil penalty program effectuated by District Commanders and their maritime safety, port safety, boating safety, and legal staffs.

Sections 2.01-10(b), 91.01-10(b), 96.01-10(b), 100.50(b), and 105.40 of Title 33 are amended by deleting the reference to Subpart 2.50 and substituting the reference to Title 33.

Since the regulations in this amendment prescribe procedures relating to the management of the Coast Guard administrative civil penalty procedures, further notice and public procedures are unnecessary and they may be made effective in less than 30 days after publication in the FEDERAL REGISTER.

In consideration of the foregoing, Parts 1, 2, 91, 96, 100, and 105 of Title 33, Code of Federal Regulations are amended as follows:

PART 1—GENERAL PROVISIONS

1. By adding a new Subpart 1.07 to read as follows:

Subpart 1.07—Enforcement; Civil and Criminal Penalty Procedures

Sec.
1.07-1 Purpose.
1.07-5 Reporting and investigating violations.
1.07-9 Civil penalty procedure.
1.07-13 Payment and collection of civil penalties.
1.07-15 Criminal penalties.
1.07-19 Civil and criminal penalties.
1.07-23 Final action: transfer of cases.
Appendix.

AUTHORITY: Sec. 3, 60 Stat. 238, and sec. 633, 63 Stat. 545, sec. 2, 63 Stat. 496, as amended; 5 U.S.C. 552, 14 U.S.C. 2, 633.

Subpart 1.07—Enforcement; Civil and Criminal Penalty Procedures

§ 1.07-1 Purpose.

This part describes procedures for enforcement of penalty provisions of all statutes that the Coast Guard is authorized to enforce.

§ 1.07-5 Reporting and investigating violations.

(a) Any person may report an apparent violation of any law, regulation, or order that is enforced by the Coast Guard to any Coast Guard facility.

(b) When an apparent violation is detected by a Coast Guard Officer, he may inform the person believed to have committed the violation, in writing or orally, of the nature of the violation.

(c) Each report made under this section is investigated or evaluated by Coast Guard personnel. The result of the investigation or evaluation is the basis for determining the enforcement action the Coast Guard will take.

§ 1.07-9 Civil penalty procedure.

(a) When civil penalty action is appropriate for a violation, the person charged with the violation or a vessel's owner is notified in writing of—

(1) The charges against him;

(2) The law or regulation that he is charged with violating;

(3) The amount of the maximum penalty that may be assessed: and

(4) The procedures in this subpart for assessing and collecting the civil penalty.

(b) Within 15 days after the day he receives a notice of violation described in paragraph (a) of this section or within such longer period as may be allowed in the notice, the person charged with the violation may provide, in writing or in person, any information or material that denies, explains, or mitigates the violation.

(c) All information or material provided in writing or in person is considered in determining whether to assess a civil penalty, close the case without action, remit or mitigate the penalty, or take other action under the applicable statute. If it is determined to assess

a civil penalty, the person charged with the violation is notified of the amount of the penalty accessed, and, if mitigation or remission is considered appropriate under the circumstances of a particular case, of the mitigated amount of the penalty or that the penalty is remitted.

(d) Within 30 days after the day he receives a notice of the assessment of a civil penalty or such longer period as may be allowed in the notice, the person charged with the violation may appeal the assessment of the penalty, in writing, to the Commandant via the Coast Guard official who signed the notice.

§ 107–13 Payment and collection of civil penalties.

(a) Authority for the collection of civil penalties is delegated to the Commander of each Coast Guard District.

(b) Payment of a civil penalty may be made by check or postal money order payable to the United States Coast Guard.

(c) If the assessed or mitigated amount of a civil penalty is not paid within 30 days of receipt of a notice of assessment or notice of the Commandant's final action on appeal or within such longer period as may be allowed in the notice, the Coast Guard may initiate appropriate legal proceedings to collect the penalty.

(d) When a civil penalty of not more than $200 has been assessed under the Federal Boat Safety Act of 1971, the matter may be referred for collection of the penalty directly to the Federal magistrate of the jurisdiction wherein the person liable may be found for collection procedures under supervision of the district court and pursuant to order issued by the court delegating such authority under section 636(b) of Title 28, United States Code.

§ 1.07–15 Criminal penalties.

(a) Prosecution in the Federal courts for violations of those laws or regulations enforced by the Coast Guard which provide, upon conviction, for punishment by fine or imprisonment is a matter finally determined by the Department of Justice. This final determination consists of deciding whether and under what conditions to prosecute or to abandon prosecution.

(b) Except in those cases where the approval of the Commandant is required, the District Commander is authorized to determine whether or not a violation of a statute carrying a criminal penalty is one which would justify referral of the case to the United States Attorney. The Commandant's approval is required in the following cases where evidence of a criminal offense is disclosed:

(1) Marine casualties or accidents resulting in death.

(2) Marine Boards (46 CFR Part 136).

(3) Violations of port security regulations (33 CFR Parts 6, 121 to 126 inclusive).

(c) The District Commander will identify the laws or regulations which were violated and make specific recommendations concerning the proceedings to be instituted by the United States Attorney in every case.

§ 1.07–19 Civil and criminal penalties.

(a) If a violation of law or regulation carries both a civil and a criminal penalty, the District Commander is authorized to determine whether to initiate civil penalty proceedings or to refer the case to the United States Attorney for prosecution in accordance with § 1.07–15.

(b) When the United States Attorney declines to institute criminal proceedings, the District Commander decides whether to initiate civil penalty proceedings or to close the case.

§ 1.07–23 Transfer of cases.

The Commander of a Coast Guard District Commander or to the Commandant for action.

PART 2—GENERAL DUTIES AND JURISDICTION

2. By amending paragraph (b) of § 2.01–10 by deleting the words "46 CFR Subpart 2.50 (Subchapter A—Procedures Applicable to the Public)", and substituting "33 CFR, Subpart 1.07."

PART 91—INTERPRETIVE RULING

3. By amending paragraph (b) of § 91.01–10 by deleting the words "46 CFR 2.50–20 to 2.50–30, inclusive (Subchapter A—Procedures Applicable to the Public)", and substituting "33 CFR Subpart 1.07."

PART 96—INTERPRETIVE RULINGS

4. By amending paragraph (b) of § 96.01–10 by deleting the words "46 CFR 2.50–20 to 2.50–30, inclusive (Subchapter A—Procedures Applicable to the Public)", and substituting "33 CFR Subpart 1.07."

PART 100—SAFETY OF LIFE ON NAVIGABLE WATERS

5. By amending paragraph (b) of § 100.50 by deleting the words "46 CFR 2.50–1 to 2.50–40; inclusive," and substituting "33 CFR Subpart 1.07."

PART 105—NORTH ATLANTIC PASSENGER ROUTES

6. By amending § 105.40 by deleting the words "46 CFR 2.50–20" and substituting "33 CFR 1.07–9."

APPENDIX

This appendix lists penalty provisions of statutes the Coast Guard is authorized to enforce. It includes penalty provisions of laws that the Coast Guard enforces and administers under this part. It also includes penalty provisions of laws that another agency administers, but the Coast Guard enforces when violations occur on the high seas and waters over which the United States has jurisdiction. Although this list is intended to be complete, the omission of any statute from the list has no effect upon the authority of the Coast Guard to enforce a statute not listed. It also states the penalty procedure for violation of each provision ("civil" or "criminal") used by the Coast Guard.

TITLE 8—ALIENS AND NATIONALITY

CHAPTER 8—THE COOLY TRADE

8 U.S.C. 334—Punishment for engaging in cooly trade (criminal)

8 U.S.C. 338—Involuntary transportation of Chinese, Japanese, etc. for purpose of holding to service; penalty (criminal)

TITLE 14—COAST GUARD

CHAPTER 5—FUNCTIONS AND POWERS

14 U.S.C. 83—Unauthorized aids to maritime navigation; penalty (criminal)

14 U.S.C. 84—Interference with aids to navigation; penalty (criminal)

14 U.S.C. 85—Failure to maintain lights; penalty (criminal)

CHAPTER 17—ADMINISTRATION

14 U.S.C. 638 Coast Guard ensigns and pennants (criminal)

14 U.S.C. 639—Penalty for unauthorized use of words "Coast Guard" (criminal)

CHAPTER 25—GENERAL PROVISIONS FOR COAST GUARD RESERVE AND AUXILIARY

14 U.S.C. 892—Unauthorized use of Coast Guard Auxiliary flags, pennants, uniforms, insignia (criminal)

TITLE 15—COMMERCE AND TRADE

CHAPTER 24—TRANSPORTATION OF GAMBLING DEVICES

15 U.S.C. 1176—Penalties (criminal)

TITLE 16—CONSERVATION

CHAPTER 5A—PROTECTION AND CONSERVATION OF WILDLIFE GAME, FUR-BEARING ANIMALS AND FISH

16 U.S.C. 668cc–4—Importation of endangered species; penalties for violations; civil penalties for nonwilliful violations (civil and criminal)

CHAPTER 10—NORTHERN PACIFIC HALIBUT FISHING

16 U.S.C. 772e—Penalties and forfeitures (criminal)

16 U.S.C. 772f—Penalties relative to records and reports (civil)

CHAPTER 10A—SOCKEYE OR PINK SALMON FISHING

16 U.S.C. 776c—Penalties and forfeitures (criminal)

CHAPTER 11—REGULATION OF LANDING, CURING AND SALE OF SPONGES TAKEN FROM GULF OF MEXICO AND STRAITS OF FLORIDA

16 U.S.C. 783—Punishment for violations of law; liability of vessels (criminal)

CHAPTER 13—REGULATIONS OF TRANSPORTATION IN INTERSTATE COMMERCE OF BLACK BASS AND OTHER FISH

16 U.S.C. 853—Penalty (criminal)

CHAPTER 14—REGULATION OF WHALING

16 U.S.C. 916f—Violations; fines and penalties (criminal)

CHAPTER 16—TUNA CONVENTIONS

16 U.S.C. 957—Violations; fines and forfeitures (criminal)

CHAPTER 17—NORTHWEST ATLANTIC FISHERIES

16 U.S.C. 989—Penalties (criminal)

CHAPTER 19—NORTH PACIFIC FISHERIES

16 U.S.C. 1030—Penalties (criminal)

CHAPTER 21—PROHIBITION OF FOREIGN FISHING VESSELS IN THE TERRITORIAL WATERS OF THE UNITED STATES

16 U.S.C. 1082—Violations and penalties (criminal)

CHAPTER 21B—PROHIBITION OF CERTAIN FOREIGN VESSELS IN UNITED STATES FISHERIES

16 U.S.C. 1100a—Violations and penalties, separate violations (civil)

CHAPTER 24—CONSERVATION AND PROTECTION OF FUR SEALS, OTHER WILDLIFE, AND SEA OTTERS

SUBCHAPTER III—PROTECTION OF SEA OTTERS ON THE HIGH SEAS

16 U.S.C. 1184—Penalties for violations (criminal)

CHAPTER 31—MARINE MAMMAL PROTECTION

16 U.S.C. 1375—Penalties (civil and criminal)
16 U.S.C. 1376—Seizure and forfeiture of cargo; penalties (civil)

TITLE 18—CRIMES AND CRIMINAL PROCEDURE

CHAPTER 3—ANIMALS, BIRDS AND FISH

18 U.S.C. 43—Transportation of wildlife taken in violation of State, National, or foreign laws (criminal)

CHAPTER 7—ASSAULT

18 U.S.C. 111—Assaulting, resisting, or impeding certain officers or employees (criminal)
18 U.S.C. 113—Assault within maritime and territorial jurisdiction (criminal)
18 U.S.C. 114—Maiming within maritime and territorial jurisdiction (criminal)

CHAPTER 11—BRIBERY, GRAFT AND CONFLICTS OF INTEREST

18 U.S.C. 201—Bribery of public officials and witnesses (criminal)
18 U.S.C. 203—Compensation to members of Congress, officers, and others in matters affecting the Government (criminal)
18 U.S.C. 205—Activities of officers and employees in claims against and other matters affecting the Government (criminal)
18 U.S.C. 219—Officers and employees acting as agents of foreign principals (criminal)

CHAPTER 13—CIVIL RIGHTS

18 U.S.C. 241—Conspiracy against rights of citizens (criminal)
18 U.S.C. 242—Deprivation of rights under color of law (criminal)
18 U.S.C. 244—Discrimination against person wearing uniform of armed forces (criminal)
18 U.S.C. 286—Conspiracy to defraud the Government with respect to claims (criminal)
18 U.S.C. 287—False, fictitious, or fraudulent claims (criminal)

CHAPTER 19—CONSPIRACY

18 U.S.C. 371—Conspiracy to commit offense or to defraud United States (criminal)
18 U.S.C. 372—Conspiracy to impede or injure officer (criminal)

CHAPTER 25—COUNTERFEITING AND FORGERY

18 U.S.C. 496—Customs matters (criminal)
18 U.S.C. 498—Military or naval discharge certificates (criminal)
18 U.S.C. 499—Military, naval or official passes (criminal)

CHAPTER 27—CUSTOMS

18 U.S.C. 545—Smuggling goods into the United States (criminal)
18 U.S.C. 546—Smuggling goods into foreign countries (criminal)

CHAPTER 29—ELECTIONS AND POLITICAL ACTIVITIES

18 U.S.C. 592—Troops at polls (criminal)
18 U.S.C. 593—Interference at polls (criminal)
18 U.S.C. 594—Intimidation of voters (criminal)
18 U.S.C. 596—Polling armed forces (criminal)
18 U.S.C. 602—Solicitation of political contributions (criminal)
18 U.S.C. 603—Place of solicitation (criminal)
18 U.S.C. 607—Making political contributions (criminal)

CHAPTER 31—EMBEZZLEMENT AND THEFT

18 U.S.C. 641—Public money, property, or records (criminal)
18 U.S.C. 642—Tools and materials for counterfeiting purposes (criminal)
18 U.S.C. 643—Accounting generally for public money (criminal)
18 U.S.C. 651—Disbursing officer falsely certifying full payment (criminal)
18 U.S.C. 652—Disbursing officer paying lesser in lieu of lawful amounts (criminal)
18 U.S.C. 653—Disbursing officer misusing public funds (criminal)
18 U.S.C. 654—Officer or employee of United States converting property of another (criminal)
18 U.S.C. 659—Interstate or foreign baggage, express or freight; State prosecutions (criminal)
18 U.S.C. 661—Within special maritime and territorial jurisdiction (criminal)
18 U.S.C. 662—Receiving stolen property within special maritime and territorial jurisdiction (criminal)

CHAPTER 33—EMBLEMS, INSIGNIA AND NAMES

18 U.S.C. 701—Official badges, identification cards, other insignia (criminal)
18 U.S.C. 702—Uniform of armed forces and Public Health Service (criminal)
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46 U.S.C. 599—Wages of seamen; advances and allotments (criminal)
46 U.S.C. 623—Penalty for neglect of master (civil)
46 U.S.C. 626—Payment to district court of money and effects of deceased seamen (civil)
46 U.S.C. 641—Discharge; mode (civil)
46 U.S.C. 642—Accounting as to wage (civil)
46 U.S.C. 643—Continuous discharge book and certificate of identification—issuance (civil and criminal)
46 U.S.C. 652—Examination of witnesses (civil)
46 U.S.C. 653—Complaint that vessel is unseaworthy (civil)
46 U.S.C. 658—Discharge of crew on account of unseaworthiness; penalty for sending unseaworthy vessel to sea (criminal)
46 U.S.C. 660—Refusal to pay wages and charges (criminal)
46 U.S.C. 660-1—Space and accommodations for crew; hospital compartments (civil)
46 U.S.C. 662—Complaint as to provisions or water; examination (civil)
46 U.S.C. 664—Permission from master to enter complaint as to provisions or water (civil)
46 U.S.C. 667—Penalty for failure to keep medicines (civil)
46 U.S.C. 668—Weights and measures (civil)
46 U.S.C. 669—Clothing and heat (civil)
46 U.S.C. 670—Slop chests (civil)
46 U.S.C. 672—Requirements, qualifications, and regulations as to crews—officers and pilots (civil and criminal)
46 U.S.C. 672a—Nationality of crews—officers and pilots (civil)
46 U.S.C. 673—Requirements as to watches; duties of seamen; hours of work; penalty (civil)
46 U.S.C. 676—Rules as to list of crew (criminal)
46 U.S.C. 677—Production of copy of list on return of vessel; production of persons named (civil)
46 U.S.C. 684—Wages or discharge in case of sale (criminal)
46 U.S.C. 701—Merchant seamen; various offenses; penalties (criminal)
46 U.S.C. 710—Carrying sheath knives (civil)

CHAPTER 19—WRECKS AND SALVAGE

46 U.S.C. 728—Duty of master to assist persons in danger (criminal)
46 U.S.C. 738b—Operator of vessel to give notice of routes; avoidance of ice regions; penalty (civil)
46 U.S.C. 738c—Speed of vessel in ice region; penalty (civil)

CHAPTER 24—MERCHANT MARINE ACT, 1920

46 U.S.C. 882—Number of passengers cargo vessels may carry (civil)
46 U.S.C. 883-1—Corporation as citizen; fisheries and transportation of merchandise or passengers between points in United States (civil)
46 U.S.C. 883a—Reports required of United States vessels rebuilt abroad; penalty for failure to report (civil)

CHAPTER 25—SHIP MORTGAGES

46 U.S.C. 941—Failure of master to exhibit documents; unlawful acts by mortgagor; liability of collector of customs (criminal)

CHAPTER 27—MERCHANT MARINE ACT, 1936

46 U.S.C. 1132—Citizenship of officers and crew vessels documented under laws of United States (criminal)

CHAPTER 29—NAUTICAL INSTRUCTION

46 U.S.C.. 1333—Inspection of vessels (criminal)

CHAPTER 33—FEDERAL BOAT SAFETY ACT OF 1971

46 U.S.C. 1483—Criminal penalties (criminal)
46 U.S.C. 1484—Civil penalties (civil)

TITLE 47—TELEGRAPHS, TELEPHONES, AND RADIOTELEGRAPHS

CHAPTER 2—SUBMARINE CABLES

47 U.S.C. 21—Willful injury to; punishment (criminal)
47 U.S.C. 22—Negligent injury to; punishment (criminal)
47 U.S.C. 24—Vessels laying cables; signals; avoidance of buoys (criminal)
47 U.S.C. 25—Fishing vessels; duty to keep nets from cables (criminal)

47 U.S.C. 27—Offending vessels to show nationality (criminal)
47 U.S.C. 37—Licenses for landing or operating cable connecting United States with foreign country; violations; punishment (criminal)

TITLE 50—WAR AND NATIONAL DEFENSE

CHAPTER 12—VESSELS IN TERRITORIAL WATERS OF THE UNITED STATES

50 U.S.C. 192—Seizure and forfeiture; fine and imprisonment (criminal)

Effective date. This amendment becomes effective on June 4, 1974.

C. R. BENDER,
Admiral, U.S. Coast Guard,
Commandant.

[FR Doc.74-12624 Filed 5-31-74;8:45 am]

CHAPTER II—CORPS OF ENGINEERS, DEPARTMENT OF THE ARMY

PART 207—NAVIGATION REGULATIONS

Anacostia River, Washington, D.C.

Pursuant to the provisions of section 7 of the River and Harbor Act of August 8, 1917 (40 Sat. 266; (33 U.S.C. 1)), § 207.127 is hereby prescribed establishing and governing the use and navigation of a restricted area in Anacostia River at the U.S. Naval Administrative Unit, Washington Navy Yard, Washington, D.C. In the interest of national security notice of proposed rule making and public procedures thereto are considered unnecessary. Accordingly, § 207.127 of Title 33 of the Code of Federal Regulations shall become effective July 3, 1974, as follows:

§ 207.127 Anacostia River, at U.S. Naval Administrative Unit, Washington Navy Yard, Washington, D.C.; U.S. Navy restricted area.

(a) *The area.* The waters in the Anacostia River included by a line beginning at latitude 38°52'19", longitude 76°59'45"; thence to latitude 38°52'17", longitude 76°59'47"; thence to latitude 38°52'15", longitude 76°59'41"; thence to latitude 38°52'17", longitude 76°59'39".

(b) *The regulations.* No person in the water, vessel or other craft shall enter or remain in the restricted area at any time except as authorized by the enforcing agency.

(c) The regulations in this section shall be enforced by the Commanding Officer, U.S. Naval Administrative Unit, and such agencies as he may designate.

[Regs., May 15, 1974, 1522-01 Anacostia River, Washington, D.C.—DAEN-CWO-N] (Sec. 7, 40 Stat. 266; 33 U.S.C. 1)

For the Adjutant General.

R. B. BELNAP,
Special Advisor to TAG.

[FR Doc.74-12601 Filed 5-31-74;8:45 am]

Title 45—Public Welfare

SUBTITLE A—DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, GENERAL ADMINISTRATION

PART 25—HEARING EXAMINERS-SUPPLEMENTAL SECURITY INCOME

Appointment, Pay, and Removal of Supplemental Security Income Hearing Examiners

The amendments to the regulations set forth herein add a new Part 25 setting forth the rules for appointment, pay, and removal of individuals appointed as Hearing Examiners, SSI, pursuant to section 1631(d)(2) of the Social Security Act (42 U.S.C. 1383(d)(2)) to conduct hearings under the Supplemental Security Income Program, as required by section 1631(c) of the Social Security Act (42 U.S.C. 1383(c)). Proposed regulations establishing the procedures for such hearings and which provide the due process protections to which claimants are entitled were published as interim regulations in 39 FR 5778, on February 15, 1974.

The regulations set forth herein guarantee the right of the public to a hearing conducted by an independent and impartial hearing officer. Because the Civil Service Commission has determined that it is not required to provide registers from which qualified individuals could be appointed to serve as administrative law judges to conduct hearings pursuant to section 1631(c) of the Social Security Act (42 U.S.C. 1383(c)), the hearing officers will be appointed to Schedule A, Excepted Service, Attorney-Examiner (General) positions. Within the limitations imposed by the laws and regulations applicable to appointments in the Excepted Service, the regulations create a special status for individuals appointed to these positions.

The regulations provide that an individual appointed to conduct hearings is to be designated as a hearing examiner, SSI. The qualification standards require that an applicant be duly licensed and authorized to practice as an attorney. The type and quality of experience an applicant must demonstrate closely parallels that now required for appointment to administrative law judge positions.

The selection and appointment procedures are to follow to the extent possible those employed by the Office of Administrative Law Judges of the Civil Service Commission, e.g., establishment of registers from which selections are to be made, qualification inquiries, written demonstrations, panel interviews, and other appropriate procedures. Appointments are to be made only with the prior approval of the Secretary.

The regulations further provide that individuals appointed to these positions may be removed only for good cause established and determined by the Secretary after opportunity for a hearing on the record. No hearing examiner may be reassigned without the prior approval of the Secretary. They may be detailed only in certain specified instances. Hearing examiners will be given performance ratings; however, no unsatisfactory rating may be given without the concurrence of the Secretary. The determination of whether work of a hearing examiner is of an acceptable level of competence for purposes of within-grade increases also shall be made with the proviso that the Secretary must approve a recommendation to withhold such within-grade increases.

Inasmuch as the regulations relate to agency management or personnel, the Secretary of Health, Education, and Welfare finds that publication with notice of proposed rule making, as well as publication at least 30 days prior to an effective date, are unnecessary.

For purpose of future amendment to our revision of these regulations, consideration will be given to any comments pertaining to this amendment which are submitted in writing to the Commissioner of Social Security, Department of Health, Education, and Welfare Building, Fourth and Independence Avenue, SW., Washington, D.C. 20201, on or before August 2, 1974.

Copies of all comments received in response to this notice will be available for public inspection during regular business hours at the Washington Inquiries Section, Office of Public Affairs, Social Security Administration, Department of Health, Education, and Welfare, North Building, Room 4146, 330 Independence Avenue SW., Washington, D.C. 20201.

(Secs. 1102, 1631(d)(2), of the Social Security Act, as amended, 49 Stat. 647, as amended 86 Stat. 1476, 42 U.S.C. 1302, 1383(d)(2))

Effective date. These regulations shall be effective June 3, 1974.

(Catalog of Federal Domestic Assistance Program No. 13.807, Supplemental Security Income Program.)

Dated: May 29, 1974.

CASPAR W. WEINBERGER,
Secretary of Health,
Education, and Welfare.

Subtitle A of Title 45 of the Code of Federal Regulations is amended by adding thereto a new Part 25 to read as follows:

Sec.
25.1 Coverage.
25.2 Status of persons and positions.
25.3 Definitions.
25.8 Basic qualification requirements.
25.9 Appointments.
25.11 Promotion.
25.12 Reassignment.
25.17 Reemployment.
25.18 Restoration.
25.19 Details to other duties.
25.20 Pay.
25.25 Performance rating.
25.26 Reduction-in-force.
25.27 Separation.

HEARINGS IN REMOVAL CASES: RULES OF PRACTICE

25.28 Letter of charges.
25.32 Service.
25.33 Answer.
25.34 Notice of hearing.
25.35 Appearance.
25.40 Hearing.
25.41 Burden of proof.
25.42 Motions.
25.43 Orders of appearance.
25.49 Proposed findings and conclusions before presiding officer.
25.50 Recommended decision.
25.52 Adjudication.
25.54 Report of action taken.
25.55 Finality of decision.

AUTHORITY: Sec. 1631(d)(2) of the Social Security Act (42 U.S.C. 1383(d)(2)).

§ 25.1 Coverage.

(a) This part applies to persons appointed pursuant to section 1631(d)(2) of the Social Security Act as amended, 42 U.S.C. 1383(d)(2) as Attorney-Examiner (General) to conduct hearings. The organizational title of these positions is Hearing Examiner—Supplemental Security Income, hereinafter referred to as hearing examiner.

(b) Except as otherwise provided in this part, the regulations and policies covering positions in the Excepted Service apply to hearing examiner positions.

§ 25.2 Status of persons and positions.

Positions of hearing examiner are in the Excepted Service. Appointees will not acquire a competitive civil service status by virtue of service in such positions.

§ 25.3 Definitions.

(a) Bureau means the Bureau of Hearings and Appeals, Social Security Administration, Department of Health, Education, and Welfare.

(b) Secretary means the Secretary of Health, Education, and Welfare, or his delegatee.

(c) Detail means the temporary assignment of an employee from one position to another position without change in civil service or pay status. The assignment to a hearing examiner of a case of the level of difficulty that would ordinarily be assigned to a hearing examiner of a different grade does not of itself constitute a detail within the meaning of this part.

(d) Hearing examiner position means a position in which any portion of the duties includes those which require the appointment of a hearing examiner under section 1631(d)(2) of the Social Security Act as amended, 42 U.S.C. 1383(d)(2).

(e) Promotion means a change in grade from one position to a higher graded position. The position may be newly created, or left vacant because of the promotion, demotion, transfer, reassignment, or separation of the last incumbent.

(f) Reemployment means rehiring on the basis of the appointee's former position as a hearing examiner or as an administrative law judge after separation from such a position. An annuitant will not be reemployed in a hearing examiner position.

(g) Removal means an involuntary change in the status of a hearing examiner, including discharge, demotion, or suspension from the position of hearing examiner or demotion, reassignment, or promotion to a position other than that of hearing examiner.

§ 25.8 Basic qualification requirements.

(a) To qualify for the GS–14 grade level in the examination, an applicant must have been, for at least 6 years immediately preceding the date of filing the application, duly licensed and authorized to practice as an attorney under the laws of a State, the District of Columbia, the Commonwealth of Puerto Rico, or any territorial court established under the Constitution. To qualify for the GS–13 grade level in the examination, the applicant must have been an attorney for at least 4 years as herein described. In addition, the applicant must clearly establish, in the aggregate, at least 6 years of qualifying experience (for the GS–14 grade level) or 4 years of qualifying experience (for the GS–13 grade level) in one or more of the following categories:

(1) Experience as judge, master, or referee of a court of record; or

(2) Experience as the head (or one of the heads) of a governmental regulatory body, responsible for (i) conducting, or supervising the conduct of formal hearings and (ii) making decisions on the basis of the record of such hearings; or

(3) Experience in a governmental regulatory body as an officer or employee presiding over formal hearings and making or recommending decisions on the basis of the record of such hearings; or

(4) Experience in the preparation of cases for, or their presentation at, formal hearings conducted by governmental regulatory bodies or court proceedings relating thereto; or

(5) Experience in the preparation of cases for and their presentation at trial in courts of record of unlimited and original jurisdiction or the preparation and presentation of appeals therefrom; or

(6) Experience in the active professional supervision and direction of subordinates engaged in functions described in paragraph (a)(4) of this section; or

(7) Experience as a responsible official in a governmental regulatory body whose duties require him to (i) review, analyze, evaluate, and recommend action to be taken by the head (or heads) of the body on decisions or recommend decisions on cases made by hearing officers on the basis of the record of formal hearings, or (ii) render responsible assistance to the head (or heads) of the body in the preparation for, or hearing of, cases coming for a formal hearing before the head (or heads) of the body, or in the preparation of decisions by the head (or heads) of the body on such cases; or

(8) Experience in either a governmental body or in the private practice of law which involved the assimilation, analysis, and evaluation of complex facts; the interpretation and application of provisions of law, regulations, court decisions, and other precedents; the rendition of oral and written advice to employing officials or clients which demonstrates the ability to identify and effectively use pertinent precedents; recognize new and complex problems; propose fair and equitable solutions in accordance with applicable law and regulations, and write clear, cogent opinions; or

(9) Experience in the active professional supervision and direction of subordinates engaged in functions described in paragraph (a)(8) of this section.

(b) Level and recency of experience. An aggregate of 1 year of the applicant's experience must have been acquired within the 6-year period immediately preceding the date of filing of an application for the GS–14 grade level or an aggregate of 1 year of the applicant's qualifying experience must have been acquired within the 4-year period immediately preceding the date of filing of an application for the GS–13 grade level. This 1 year of qualifying experience must be of a level of difficulty, complexity, responsibility, and importance characteristic of the next lower grade in the Federal service. The quality or level of experience is determined by the nature, scope, degree of responsibility, importance, and complexity of cases handled. Experience in the handling of minor tort cases, routine divorce cases, traffic violation cases, and cases or matters of a similar nature will not be accepted as meeting the required level or quality of experience for either grade level.

(c) The Secretary shall prescribe such examination procedures as he deems necessary, including qualification inquiries, written demonstrations, and panel interviews, and shall provide for the assignment of numerical ratings and the establishment of registers of eligibles and such other procedures as are appropriate. To the maximum extent possible, these procedures shall follow those used by the Office of Administrative Law Judges of the Civil Service Commission.

§ 25.9 Appointments.

(a) Except as provided in these regulations, all appointments to hearing examiner positions shall be made from a register of eligibles established as a result of the examination prescribed by the Secretary.

(b) *Appointment and trial period.* Appointment shall be made on an excepted-career basis. Appointees will not be required to serve a trial period. No such appointment shall be made without the prior approval of the Secretary.

(c) *Emergency appointments.* In an emergency situation when the needs of the service require it, the Secretary may authorize the appointment of an applicant to the position of hearing examiner on a temporary basis pending final decision of the individual's eligibility for appointment from the register provided, however, that such appointment shall be for a period of no more than 6 months.

§ 25.11 Promotion.

The Secretary may promote a hearing examiner covered by these procedures to another hearing examiner position provided he meets the requirements for appointment to the position and is within reach on the appropriate register.

§ 25.12 Reassignment.

All reassignments of a hearing examiner and change of permanent duty stations shall require prior approval of the Secretary.

§ 25.17 Reemployment.

An individual who has served as an administrative law judge or a hearing examiner for at least 6 months may be reappointed as a hearing examiner without regard to the register of eligibles provided the reappointment is to a position at a grade level that is no higher than the one in which he previously served as an administrative law judge or hearing examiner, and provided further that he meets the experience requirements in effect at the time of the reappointment.

§ 25.18 Restoration.

Statutory reemployment and restoration rights as prescribed under Title 5 U.S.C. apply to hearing examiner positions.

§ 25.19 Details to other duties.

(a) The Bureau may not detail an employee who is not a hearing examiner to a hearing examiner position.

(b) The Bureau may not detail a hearing examiner to a position in the competitive service.

(c) The Bureau may detail a hearing examiner to perform duties that are not duties of a hearing examiner only when:

(1) The other duties are not inconsistent with the duties and responsibilities of a hearing examiner;

(2) The assignment is to last no longer than 120 days; and

(3) The hearing examiner has not had an aggregate of more than 120 days of such assignments within the preceding 12 months.

§ 25.20 Pay.

(a) The Bureau shall classify hearing examiner positions in accordance with Civil Service regulations and procedures for classifications under Chapter 51 of Title 5, U.S.C.

(b) The provisions of subchapter III of Chapter 53 of Title 5, United States Code and regulations of the Civil Service Commission issued thereunder shall apply in determining the rate of pay for hearing examiners.

(c) A hearing examiner is entitled to a within-grade increase in accordance with Civil Service regulations and procedures for within-grade increases under Chapter 53 of Title 5, U.S.C. The determination of whether the work of a hearing examiner is of an acceptable level of competence will be made by the Bureau Director or his designatee. A decision to withhold the within-grade increase of a hearing examiner may not be made without the approval of the Secretary.

(d) The Bureau shall not grant a quality increase under section 5336 of Title 5, U.S.C. to a hearing examiner.

§ 25.25 Performance rating.

The performance of each hearing examiner shall be rated in accordance with the provisions of Chapter 43 of Title 5, U.S.C., and the Department's Performance Rating Plan: *Provided however*, That no unsatisfactory rating may be given without the approval of the Secretary.

§ 25.26 Reduction-in-force.

The reduction-in-force provisions, set forth in section 3502 of Title 5, U.S.C. apply to reduction-in-force of hearing examiners.

§ 25.27 Separation.

(a) *Removal.* The Bureau may remove a hearing examiner covered by these procedures only for good cause, established and determined by the Secretary, after opportunity for a hearing and on the record thereof as provided in § 25.28 through 25.55.

(b) *Status during removal proceedings.* In exceptional cases when there are circumstances by reason of which the retention of a hearing examiner in his position, pending adjudication of the existence of good cause for his removal, would be detrimental to the interests of the Government, the hearing examiner shall either be assigned to duties in which these conditions would not exist, or placed on annual leave for the period that will be covered by the annual leave to his credit, or placed on leave without pay.

(c) *Exceptions for procedures.* These removal proceedings do not apply in making dismissals required by the Civil Service Commission under §§ 5.2 and 5.4 of Civil Service Rule V, nor to dismissals made in the interest of national security, nor to hearing examiners covered by Part 752 of Civil Service Regulations.

HEARINGS IN REMOVAL CASES: RULES OF PRACTICE

§ 25.28 Letter of charges.

The Bureau Director shall initiate removal against a hearing examiner by filing with the Secretary a letter of charges which shall set forth specifically and in detail the reasons that are alleged to constitute good cause for the removal.

§ 25.32 Service.

The Secretary shall have a copy of the letter of charges served on the hearing examiner named therein. Service shall be personally delivered or forwarded by registered mail.

§ 25.33 Answer.

(a) When a respondent desires to contest the proposed action he shall file an answer in writing to the letter of charges with the Secretary within 15 calendar days of the service of the copy of the letter of charges.

(b) Failure of the respondent to file an answer within the time limit is deemed to authorize the Bureau without further notice to the respondent, to proceed in regular course on the reasons set forth in the letter of charges.

§ 25.34 Notice of hearing.

After the filing of answer, the Secretary shall fix a time and place for the hearing and shall notify the parties.

§ 25.35 Appearance.

A respondent may appear for himself or by representative of his choice. The respondent or his representative shall file a written notice of appearance.

§ 25.40 Hearing.

(a) A presiding officer designated by the Secretary, shall preside at any hearing under these procedures.

(b) Hearings are open to the public unless otherwise ordered by the presiding officer.

(c) The presiding officer shall designate an official reporter who shall record the hearing under the supervision of the presiding officer. The official reporter's transcript of the hearing is the sole official transcript of the hearing. The presiding officer shall make the official transcript a part of the record.

§ 25.41 Burden of proof.

(a) The Bureau has the general burden of proof, and the proponent of any factual proposition is required to sustain the burden of proof with reference thereto.

(b) Objections to evidence shall be stated briefly and shall include the grounds relied on. Rulings on objections shall appear in the record.

§ 25.42 Motions.

The presiding officer shall act on motions.

§ 25.43 Orders of appearance.

The presiding officer may issue orders for an employee of the Social Security Administration, or any agency or component of the Department, to testify as witness at the hearing. Application for such orders may be made to the presiding officer. Any party desiring the testimony of a person not an employee of the Social Security Administration or of the Department shall be responsible for assuring the attendance and testimony of such persons. A witness may appear voluntarily without order. Per diem and travel may be paid to witnesses in accordance with applicable regulations.

§ 25.49 Proposed findings and conclusions before presiding officer.

At the termination of a hearing, the presiding officer shall fix a time not to exceed 30 calendar days except for good cause shown within which parties may submit to him proposed findings, conclusions, and reasons therefor (or briefs which may contain the same). Each party shall furnish copies of proposals or briefs to other parties to the proceeding (certifying to the presiding officer that this has been done) and shall deliver to the presiding officer an original and two copies.

§ 25.50 Recommended decision.

(a) The presiding officer, within 60 calendar days after receipt of the transcript of the hearing and of proposed findings and conclusions, or briefs, shall make and file a recommended decision.

(b) The presiding officer shall send a copy of the recommended decision to each party to the proceeding. Any party, within 10 calendar days after receipt of the copy of the recommended decision, may submit:

(1) Exceptions to it or to any omission from it; and

(2) Additional proposals for findings and conclusions with reasons therefor. The party making the submission shall furnish copies to the other parties (certifying to the presiding officer that this has been done), and shall file the original and two copies with the presiding officer.

§ 25.52 Adjudication.

On receipt of exceptions and additional proposals, or expiration of time therefor, the presiding officer shall prepare the files of the proceedings and shall transmit them to the Secretary who shall consider the entire record and decide the issues in accordance with the applicable law and the weight of the evidence, and notify the parties of his decision.

§ 25.54 Report of action taken.

The Bureau shall take action in accordance with the Secretary's decision not later than 10 calendar days after receipt thereof, and shall report to the Secretary without delay, the action taken.

§ 25.55 Finality of decision.

The Secretary's decision is final and exhausts the administrative remedies of the hearing examiner.

[FR Doc.74-12564 Filed 5-31-74;8:45 am]

Title 46—Shipping

CHAPTER I—COAST GUARD, DEPARTMENT OF TRANSPORTATION

SUBCHAPTER A—PROCEDURES APPLICABLE TO THE PUBLIC

SUBCHAPTER C—UNINSPECTED VESSELS

[CGD 74-68]

PART 2—VESSEL INSPECTIONS

PART 26—OPERATIONS

Assessment, Mitigation, or Remission of Penalties

At page 19472 of this issue of the FEDERAL REGISTER, the Coast Guard issues new procedures for enforcing civil and criminal penalty provisions of statutes that the Coast Guard is authorized to enforce. These new procedures appear in Title 33 of the Code of Federal Regulations and replace procedures presently in Subpart 2.50 of Title 46 of the Code of Federal Regulations. Accordingly, the procedures in Subpart 2.50 are deleted and a note with reference to the new procedures in Title 33 is inserted. Section 26.10-5(b) of Subchapter C of Title 46 is amended by deleting the reference to Subpart 2.50 and substituting the reference to Title 33.

Since these amendments concern a matter relating to agency procedure and make editorial changes, the notice of proposed rule making and public procedure requirements in 5 U.S.C. 553 do not apply and they may be made effective in less than 30 days after publication in the FEDERAL REGISTER.

In consideration of the foregoing, Part 2, and Part 26 of Title 46 are amended as follows:

Subpart 2.50 [Deleted]

1. By deleting Subpart 2.50 and inserting the following note following § 2.40-20:

NOTE: Enforcement; civil, and criminal penalty procedures appear in 33 CFR Part 1.

2. By amending paragraph (b) of § 26.10-5 by deleting the words following "are set forth in" and substituting "33 CFR Part 1."

(Sec. 3, 60 Stat. 238, and sec. 633, 63 Stat. 545, sec. 2, 63 Stat. 496, as amended; 5 U.S.C. 552, 14 U.S.C. 2, 633)

Effective date. These amendments become effective on June 4, 1974.

C. R. BENDER,
Admiral, U.S. Coast Guard.
Commandant.

[FR Doc.74-12623 Filed 5-31-74;8:45 am]

CHAPTER II—MARITIME ADMINISTRATION, DEPARTMENT OF COMMERCE

Subchapter C—Regulations Affecting Subsidized Vessels and Operators

PART 294—OPERATING-DIFFERENTIAL SUBSIDY FOR BULK CARGO VESSELS ENGAGED IN CARRYING BULK RAW AND PROCESSED AGRICULTURAL COMMODITIES FROM THE UNITED STATES TO THE UNION OF SOVIET SOCIALIST REPUBLICS

Notice of Readiness

Part 294 of Title 46, CFR which prescribes regulations governing the payment of operating-differential subsidy to operators of bulk cargo vessels engaged in carrying bulk agricultural commodities from the United States to the Union of Soviet Socialist Republics, is hereby amended.

This amendment provides that henceforth a subsidized voyage shall commence at 0001 local time in the U.S. port of loading on the day that the vessel's Notice of Readiness is accepted by the Charterers or their agents or the vessel commences loading (provided such vessel has all certificates of inspection required by the terms of the charterparty), whichever occurs first.

Previously a subsidized voyage commenced at such time on the day that the vessel had been certified as clean and ready to load by the National Cargo Bureau, Inc. The purpose of this amendment is to make the subsidization of a vessel coincide with the Charterer's acceptance of the vessel as ready to load. Henceforth, subsidization of a vessel shall begin when the vessel is either accepted for loading by the Charterers or their agents or commences loading in accordance with the terms of the charterparty agreed to by the governments of the United States and Soviet Socialist Republics.

Since this amendment affects the operators of subsidized vessels and hence relates to public grants, this amendment is adopted without notice of proposed rulemaking (5 U.S.C. 553(a)(2)).

Part 294 of Title 46 is revised as follows:

(1) Amend paragraph (c)(1) of § 294.3 to read as follows:

§ 294.3 Definitions.

* * * * *

(c) *Subsidized voyage*—(1) *Commencement.* A subsidized voyage shall commence at 0001 local time in the U.S. port of loading on the day that:

(i) The vessel's Notice of Readiness is accepted by the Charterer or its agent pursuant to the terms of the charterparty; or

(ii) The vessel commences loading: (*Provided*, That the vessel has all certificates of inspection required by the terms of the charterparty).

(2) Amend paragraph (b)(3) of § 294.12 as follows:

§ 294.12 Final voyage reporting requirement.

* * * * *

(b) *Contents of report.* * * *

(3) A copy of the Notice of Readiness with the acceptance of the Charterer or its agent noted thereon.

* * * * *

Effective date. This amendment shall become effective on June 3, 1974.

(Sec. 204(b), Merchant Marine Act, 1936, as amended (49 Stat. 1987, 46 U.S.C. 1114), Reorganization Plans No. 21 of 1950 (64 Stat. 1273) and No. 7 of 1961 (75 Stat. 842) as amended by Pub. L. 91-469 (84 Stat. 1036), Department of Commerce Organization Order 10-8 (38 FR 19707, July 23, 1973)).

Dated: May 28, 1974.

By order of the Maritime Subsidy Board.

JAMES S. DAWSON, Jr.,
Secretary.

[FR Doc.74-12674 Filed 5-31-74;8:45 am]

Title 49—Transportation

CHAPTER V—NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION

[Docket No. 71-18; Notice 3]

PART 571—FEDERAL MOTOR VEHICLE SAFETY STANDARDS

Non-Passenger Car Tires; Correction

In FR Doc. 73-23941, appearing at page 31299 in the issue of Tuesday, November 13, 1973, an error in the last column of Table III has been discovered. The value "705.0", appearing on the sixth line of the last column of Table III is replaced by the value "510.0".

(Sec. 103, 112, 113, 114, 119, 201, Pub. L. 89-563, 80 Stat. 718 (15 U.S.C. 1392, 1401, 1402, 1403, 1407, 1421); delegation of authority at 49 CFR 1.51.)

Issued on May 28, 1974.

JAMES B. GREGORY,
Administrator.

[FR Doc.74-12637 Filed 5-31-74;8:45 am]

[Docket No. 70-12; Notice 19]

PART 574—TIRE IDENTIFICATION AND RECORDKEEPING

Universal Registration Format

This notice amends the Tire Identification and Recordkeeping regulation, 49 CFR Part 574, to establish an optional universal registration format for tire registration forms. It also requires manufacturers of new tires to redirect registration forms of other manufacturers of new tires which have been forwarded to them in error.

On March 9, 1973, the NHTSA issued a notice of proposed rulemaking (38 FR 6398) proposing a universal registration form for tire identification and recordkeeping.[1] The notice was issued in response to requests from multi-brand tire dealers who were faced with a multiplicity of different forms and procedures for tire registration. Currently, the regulation merely requires manufacturers and retreaders to supply a "means" of registration. The proposed rule also envisioned that a copy of the form would be provided to the first purchaser and that manufacturers and retreaders would be required to redirect registration forms which had been forwarded to them in error.

All comments received in response to the notice were sympathetic to the problems faced by the multi-brand dealers, and the majority were willing to provide a "universal form" if requested by a dealer.

Most manufacturers, however, pointed out that their exclusive dealerships had received training in the use of the current form, as had their own personnel, and that a total change-over would work a hardship without a concomitant benefit for single-brand dealers. In view of these comments, NHTSA has decided to promulgate the universal registration format, which appears as Fig. 3, as an optional format to be followed if requested by a dealer and as a guide if a dealer prefers to supply his own forms.

The proposal to require tire manufacturers and retreaders to forward all misdirected registration forms within 30 days was universally opposed by new-tire manufacturers, who stated that they are currently participating in a voluntary but limited program for forwarding these misdirected forms. Furthermore, new-tire manufacturers believe they should not be responsible for misdirected retreaded tire registration forms, as there are over 5,000 tire retreaders in the country and such a task would be formidable. One new-tire manufacturer indicated that he had received over 15,000 misdirected retreaded tire registration forms during January 1973. The docket contained only one submission from the retreading industry, and it did not deal with the problem of misdirected forms.

It also appears from the comments received and other information available to NHTSA that new-tire manufacturers maintain a computer-based registration process, while only approximately 25 percent of the retreading industry utilizes computers for this purpose. Thus, the requirement for forwarding all misdirected forms would fall heavily on both segments of the industry, new-tire manufacturers in that most misdirected forms appear to be sent to them and retreaders in that a majority are ill-equipped to carry out the forwarding functions.

Therefore, rather than issue an all-inclusive forwarding requirement at this time, NHTSA has decided to require only that new-tire manufacturers redirect new tire registration forms erroneously forwarded to them. Further, the NHTSA has detemined that a 90-day forwarding period will be sufficient, rather than the 30 days originally proposed. It is expected that the use of the manufacturer's logo on the universal registration format and increased vigilance on the part of the industry will substantially curtail the number of misdirected forms. If it later appears that tire registrations are not being properly received, the NHTSA intends to take further action in this area.

The notice proposed that tire manufacturers furnish their dealers with duplicate copies of the registration form so that a copy could be given to consumers at the time of purchase. This provision was objected to by all new-tire manufacturers and the retreaders' association. In their view, the increased expense served no viable function as Part 574 currently requires all purchasers to be notified by certified mail of safety defects. They argued that the possession of a duplicate registration form would not aid the purchaser in the case of recall. The manufacturers also said that the completion of registration forms is often reserved until the end of the day or other slack time, and further that the consumer automatically receives a copy of his tire identification number on the guarantee if one is given.

The NHTSA finds these arguments to have merit, and the requirement to give the purchaser a copy of the registration form is deleted from the final rule.

In consideration of the foregoing, 49 CFR 574.7 is amended to read as follows:

§ 574.7 Information requirements—tire manufacturers, brand name owners, retreaders.

(a) Each tire manufacturer, brand name owner and retreader (hereinafter referred to in this section and § 574.8 as "tire manufacturer" unless specified otherwise), or his designee, shall provide forms to every distributor and dealer of his tires who offers these tires for sale or lease to tire purchasers, by which the distributor or dealer may record the information appearing in paragraphs (a)(1), (a)(2) and (a)(3) of this section. Forms similar to Figure 3 shall be provided to those dealers who request them, or if a dealer prefers, he may supply his own form as long as it contains the required information as indicated in Figure 3.

(1) Name and address of the tire purchaser;

(2) Tire identification number;

(3) Name and address of the tire seller or other means by which the manufacturer can identify the tire seller.

(b) Each tire manufacturer shall record and maintain, or have recorded and maintained for him, the information specified in paragraph (a) of this section and shall not use this information for any commercial purpose detrimental to tire distributors or dealers. Any new-tire manufacturer to whom forms are mistakenly returned shall forward the new-tire registration forms to the proper new-tire manufacturer within 90 days from receipt of the form.

(c) Each tire manufacturer shall maintain, or have maintained for him, a record of each tire distributor or dealer who purchases tires directly from him and sells them to tire purchasers, the number of tires purchased by each such distributor or dealer, the number of tires for which reports have been received from each such distributor or dealer pursuant to paragraph (a) of § 574.8, the total number of tires sold by the tire manufacturer, and the total number of tires for which reports have been received.

(d) Information required by paragraph (a) of this section shall be maintained for a period of not less than 3 years from the date the tire manufacturer or his designee records the information submitted to him.

Effective date: September 3, 1974.

(Secs. 103, 112, 113, 119, 201, Pub. L. 89-563, 80 Stat. 718, 15 U.S.C. 1392, 1401, 1402, 1407, 1421; delegation of authority at 49 CFR 1.51.)

Issued on May 28, 1974.

JAMES B. GREGORY,
Administrator.

[FR Doc.74-12638 Filed 5-31-74;8:45 am]

Title 20—Employees' Benefits

CHAPTER III—SOCIAL SECURITY ADMINISTRATION, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

[Regs. No. 5]

PART 405—FEDERAL HEALTH INSURANCE FOR THE AGED AND DISABLED (1965.....)

Subpart B—Supplementary Medical Insurance Benefits

INCREASE IN SUPPLEMENTARY MEDICAL INSURANCE DEDUCTIBLE AND ELIMINATION OF THE COINSURANCE FOR PART B HOME HEALTH SERVICES

On January 9, 1974, there was published in the FEDERAL REGISTER (39 FR 1453) a notice of proposed rulemaking with proposed amendments to Subpart B of Regulations No. 5. The proposed amendments revise and update the present regulations to reflect sections 204(a) and 299K of the Social Security Amendments of 1972 (Pub. L. 92-603)

[1] Filed as part of the original document.

which increase the SMI deductible from $50 to $60 and eliminate the coinsurance for Part B home health services effective with expenses incurred after December 31, 1972.

Interested persons were given the opportunity to submit within 30 days, data, views, or arguments with regard to the proposed amendments. No comments have been received and the proposed amendments are adopted without change.

Effective date. These amendments shall be effective June 3, 1974.

(Sections 1102, 1833, 1871, 49 Stat. 647, as amended, 79 Stat. 302, as amended, 79 Stat. 331, as amended; 42 U.S.C. 1302, 1395l, 1395hh.)

(Catalog of Federal Domestic Assistance Program No. 13.801, Health Insurance for the Aged—Supplementary Medical Insurance.)

Dated: May 9, 1974.

J. B. CARDWELL,
Commissioner of Social Security.

Approved: May 28, 1974.

CASPAR W. WEINBERGER,
Secretary of Health, Education, and Welfare.

Regulations No. 5 of the Social Security Administration, as amended (20 CFR Part 405), are further amended as follows:

1. Section 405.239 is revised to read as follows:

§ 405.239 Option available to patients under a home health plan who require physical therapy.

A patient under a home health plan may elect to receive required physical therapy service as a "medical and other health service" (see § 405.231(1)) rather than as a home health service (see § 405.236(b)) and thereby save home health visits for other covered home health services.

2. Section 405.240 is amended by revising paragraph (d) to read as follows:

§ 405.240 Payment of supplementary medical insurance benefits; amounts payable.

* * * * *

(d) (1) Eighty percent of the reasonable cost of home health services furnished by (or under arrangements made by) a participating home health agency for services furnished prior to January 1, 1973; and

(2) One hundred percent of the reasonable cost of home health services furnished by (or under arrangements made by) a participating home health agency for services furnished after December 31, 1972; and

* * * * *

3. Paragraph (b) of § 405.243 is amended by revising the example as follows:

§ 405.243 Psychiatric services limitation; expenses incurred for physician services.

* * * * *

(b) *Application of limitation.* * * *

Example: As a private patient, Mr. X's only medical expenses during the calendar year 1973 amounted to $750 for physicians' services in connection with the treatment of a mental disorder which did not require inpatient hospitalization. The statutory limit for any calendar year on the amount of these expenses that is covered under this Subpart B is $312.50 ($312.50 being lesser in amount than 62½ percent of $750). Mr. X is required to meet the first $60 as a deductible, and 20 percent of the balance. The remaining 80 percent is payable under this Subpart B.

Total covered expenses	Mr. X's payment	Payment under subpart B
$312.50	[2] $437.50	
−60.00 [1]	[4] 60.00	
252.50	[3] 50.50	[4] $202.00

[1] Deductible. (see § 405.245).
[2] In excess of $312.50.
[3] 20 percent of total covered expenses less deductible.
[4] 80 percent of total covered expenses less deductible.

If Mr. X had incurred $350 of the above expenses while an inpatient of an institution (see paragraph (b) of this section), and the remaining $400 while not an inpatient of an institution, payment would be computed as follows:

Total covered expenses	Mr. X's payment	Payment under subpart B
$250 [1]	[2] $150	
+350 [2]		
600	[4] 60	
−60 [4]		
540	[5] 108	[6] $432

[1] 62½ percent of $400.
[2] In excess of 62½ percent of $400.
[3] 100 percent of expenses incurred while an inpatient.
[4] Deductible.
[5] 20 percent of total covered expenses less deductible.
[6] 80 percent of total covered expenses less deductible.

4. Section 405.244 is amended by revising paragraph (c) to read as follows:

§ 405.244 Incurred expenses; expenses excluded from total expenses or not considered for purposes of the deductible.

* * * * *

(c) To the extent that an individual incurred expenses with respect to radiological and pathological services for which payment is made in an amount equal to 100 percent of the reasonable charges for such services (see § 405.240 (a)(2)), the costs or charges for such services are not considered as incurred expenses for purposes of §§ 405.245 and 405.246 and are not subject to the supplementary medical insurance benefits deductible.

5. Section 405.245 is revised to read as follows:

§ 405.245 The supplementary medical insurance benefits deductible.

Subject to the provisions of § 405.244, the total amount of expenses incurred by an individual during a calendar year is reduced, prior to applying the payment percentages in § 405.240, by a deductible in an amount equal to:

(a) $60 (except that with respect to expenses incurred prior to 1973 the deductible amount shall be $50); less

(b) The amount of any expenses incurred by such individual in the last three months of the preceding calendar year and applied toward such individual's deductible under this section for such preceding year.

Example: During 1973, Mr. Jones incurred total expenses of $350 for covered medical and other health services furnished to him. Ordinarily, a deductible of $60 would be imposed in determining the amount payable under the supplementary medical insurance plan. However, during November of 1972, Mr. Jones had incurred expenses of $35 for covered medical and other health services which had been applied toward his supplementary medical insurance deductible for 1972. Since any expenses incurred in the last quarter of the prior calendar year, and applied toward the supplementary medical insurance benefits deductible for such year, can be carried over to the following year and applied toward the deductible, Mr. Jones' 1973 supplementary medical insurance benefits deductible is only $25 ($60–$35).

[FR Doc.74–12654 Filed 5–31–74;8:45 am]

proposed rules

This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rulemaking prior to the adoption of the final rules.

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

[7 CFR Part 944]

AVOCADOS

Proposed Importation Requirements

Consideration is being given to the proposal hereinafter set forth which would prescribe requirements for the importations of avocados into the United States pursuant to Part 944—Fruits; Import Regulations (7 CFR Part 944), during the period June 17, 1974, through April 30, 1975. The proposed import regulation would prescribe the same grade requirement for imported avocados as that applicable, pursuant to Order No. 915 (7 CFR Part 915), to avocados grown in South Florida. With respect to maturity the proposed regulation would apply the same minimum size or weight requirements to imported avocados of the Pollock, Catalina, and Trapp varieties as are applicable to Florida avocados of the same varieties. All other imported avocados would be required to meet minimum size or weight requirements comparable to those effective for similar types grown in Florida as variations in characteristics make application of identical requirements impractical. This import regulation would be effective pursuant to section 8e of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674).

All persons who desire to submit written data, views, or arguments in connection with the proposal should file the same in quadruplicate with the Hearing Clerk, Room 112A, U.S. Department of Agriculture, Washington, D.C. 20250, not later than June 6, 1974. All written submissions made pursuant to this notice will be made available for public inspection at the office of the Hearing Clerk during regular business hours (7 CFR 1.27(b)). As proposed, the domestic regulation under the marketing order for Florida avocados would become effective June 17, 1974. To prevent the import of immature avocados, the import regulation would be made effective on the same date. Hence, the time available does not permit preliminary notice beyond that herein provided.

Such proposal reads as follows:

§ 944.14 Avocado Regulation 22.

(a) On and after the effective time of this section, the importation into the United States of any avocados is prohibited unless such avocados are inspected and meet the following requirements:

(1) All avocados imported during the period June 17, 1974, through April 30, 1975, shall grade not less than U.S. No. 3.

(2) Avocados of the Pollock variety shall not be imported (i) prior to July 8, 1974; (ii) from July 8, 1974, through July 21, 1974, unless the individual fruit in each lot of such avocados weighs at least 18 ounces or measures at least $3\frac{1}{16}$ inches in diameter; and (iii) from July 22, 1974, through August 5, 1974, unless the individual fruit in each lot of such avocados weighs at least 16 ounces or measures at least $3\frac{7}{16}$ inches in diameter.

(3) Avocados of the Catalina variety shall not be imported (i) prior to September 16, 1974; (ii) from September 16, 1974, through September 22, 1974, unless the individual fruit in each lot of such avocados weighs at least 24 ounces; and (iii) from September 23, 1974, through October 7, 1974, unless the individual fruit in each lot of such avocados weighs at least 22 ounces.

(4) Avocados of the Trapp variety shall not be imported (i) prior to August 19, 1974; (ii) from August 19, 1974, through September 1, 1974, unless the individual fruit in each lot of such avocados weighs at least 14 ounces or measures at least $3\frac{1}{16}$ inches in diameter; and (iii) from September 2, 1974, through September 16, 1974, unless the individual fruit in each lot of such avocados weighs at least 12 ounces or measures at least $3\frac{7}{16}$ inches in diameter.

(5) Avocados of any variety other than Pollock, Catalina, and Trapp varieties, of the West Indian varieties not listed elsewhere in this regulation, shall not be imported (i) prior to July 8, 1974; (ii) from July 8, 1974, through August 4, 1974, unless the individual fruit in each lot of such avocados weighs at least 18 ounces; (iii) from August 5, 1974, through September 8, 1974, unless the individual fruit in each lot of such avocados weighs at least 16 ounces; (iv) from September 9, 1974, through October 6, 1974, unless the individual fruit in each lot of such avocados weighs at least 14 ounces: *Provided*, That any lot of such avocados may be imported without regard to the date or minimum weight requirements of this paragraph if such avocados, when mature, normally change color to any shade of red or purple and any portion of the skin of the individual fruit has changed to the color normal for that fruit when mature.

(6) Avocados of any variety of the Guatemalan type, including hybrid type seedlings, unidentified Guatemalan and hybrid varieties, and Guatemalan and hybrid varieties not listed elsewhere in the regulation shall not be imported (i) prior to September 23, 1974; (ii) from September 23, 1974, through October 20, 1974, unless the individual fruit in each lot of such avocados weighs at least 15 ounces; and (iii) from October 21, 1974, through December 22, 1974, unless the individual fruit in each lot of such avocados weighs at least 13 ounces.

(7) Notwithstanding the provisions of subparagraphs (2) through (6) of this paragraph regarding the minimum weight or diameter for individual fruit, not to exceed 10 percent, by count, of the individual fruit, contained in each lot may weigh less than the minimum specified and be less than the specified diameter: *Provided*, That such avocados weigh not over 2 ounces less than the applicable specified weight for the particular variety specified in such subparagraphs. Such tolerances shall be on a lot basis, but not to exceed double such tolerances shall be permitted for an individual container in a lot.

(b) The Federal or Federal-State Inspection Service, Fruit and Vegetable Division, Agricultural Marketing Service, United States Department of Agriculture, is hereby designated as the governmental inspection service for the purpose of certifying the grade, size, quality, and maturity of avocados that are imported into the United States. Inspection by the Federal or Federal-State Inspection Service with appropriate evidence thereof in the form of an official inspection certificate, issued by the respective service, applicable to the particular shipment of avocados, is required on all imports of avocados. Such inspection and certification services will be available upon application in accordance with the rules and regulations governing inspection and certification of fresh fruits, vegetables, and other products (Part 51 of this title) but, since inspectors are not located in the immediate vicinity of some of the small ports of entry, such as those in southern California, importers of avocados should make make arrangements for inspection, through the applicable one of the following offices, at least the specified number of days prior to the time when the avocados will be imported:

Ports	Office	Advance notice
All Texas points.	L. M. Denbo, 506 South Nebraska St., San Juan, Tex. 78589, (Phone (512) 787-4091).	1 day.
	or	
	Charles E. Parragon, 300 North Concepcion, El Paso, Tex. 79905, (Phone (915) 543-7723).	Do.
All New York points.	Frank J. McNeal, Room 28A Hunts Point Market, Bronx, N.Y. 10474 (Phone (212) 991-7668 and 7669).	Do.
	or	
	Charles D. Renick, 176 Niagara Frontier Food Terminal, Room 8, Buffalo, N.Y. 14206 (Phone (716) 824-1585).	Do.
All Arizona points.	B. O. Morgan, 225 Terrace Ave., Nogales, Ariz. 85621 (Phone (602) 287-2902).	Do.
All Florida points.	Lloyd W. Boney, 1350 NW. 12th Ave., Room 538, Miami, Fla. 33136 (Phone (305) 324-6116).	Do.
	or	
	Hubert S. Flynt, 775 Warner Lane, Orlando, Fla. 32814 (Phone (305) 894-9511).	Do.
	or	
	Johnnie E. Corbitt, Unit 46, 3335 North Edgewood Ave., Jacksonville, Fla. 32205 (Phone (904) 354-5983).	Do.
All California points.	Daniel P. Thompson, 784 South Central Ave., Room 266, Los Angeles, Calif. 90012 (Phone (213) 622-8756).	3 days.
All Louisiana points.	Pascal J. Lamarca, 5027 Federal Office Bldg., 701 Loyola Ave., New Orleans, La. 70113 (Phone (504) 527-6741 and 6742).	1 day.
All other points	D. S. Matheson, F&V Div., AMS-USDA, Washington, D.C. 20250 (Phone (202) 447-5870).	3 days.

(c) Inspection certificates shall cover only the quantity of avocados that is being imported at a particular port of entry by a particular importer.

(d) The inspection performed, and certificates issued, by the Federal or Federal-State Inspection Service shall be in accordance with the rules and regulations of the Department governing the inspection and certification of fresh fruits, vegetables, and other products (Part 51 of this title). The cost of any inspection and certification shall be borne by the applicant therefor.

(e) Each inspection certificate issued with respect to any avocados to be imported into the United States shall set forth, among other things:

(1) The date and place of inspection;

(2) The name of the shipper, or applicant;

(3) The commodity inspected;

(4) The quantity of the commodity covered by the certificate;

(5) The principal identifying marks on the container;

(6) The railroad car initials and number, the truck and the trailer license number, the name of the vessel, or other identification of the shipment; and

(7) The following statement, if the facts warrant: Meets U.S. import requirements under section 8e of the Agricultural Marketing Agreement Act of 1937, as amended.

(f) Notwithstanding any other provisions of this regulation, any importation of avocados which, in the aggregate, does not exceed 55 pounds may be imported without regard to the restrictions specified herein.

(g) It is hereby found that the application of the maturity restrictions being imposed, pursuant to Order No. 915 (7 CFR Part 915), upon avocados grown in South Florida to imported avocados, other than of the Pollock, Catalina, and Trapp varieties, is not practicable because of variations in characteristics between the domestic and imported avocados; and the maturity restrictions applicable to imported avocados other than of the Pollock, Catalina, and Trapp varieties are comparable to those imposed upon the domestic commodity. The quality restrictions for all imported avocados, and the maturity restrictions for imported avocados of the Pollock, Catalina, and Trapp varieties, are the same as those being imposed upon the domestic commodity.

(h) No provisions of this section shall supersede the restrictions or prohibitions on avocados under the Plant Quarantine Act of 1912.

(i) Nothing contained in this section shall be deemed to preclude any importer from reconditioning, prior to importation, any shipment of avocados for the purpose of making it eligible for importation.

(j) The terms relating to grade, as used herein, shall have the same meaning as when used in the United States Standards for Florida Avocados (§§ 51.3050–51.3069 of this title). "Diameter" shall mean the greatest dimension measured at right angles to a line from the stem to the blossom end of the fruit. "Importation" means release from custody of the United States Bureau of Customs.

Dated: May 24, 1974.

CHARLES R. BRADER,
Deputy Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[FR Doc.74-12606 Filed 5-31-74;8:45 am]

[7 CFR Part 981]

ALMONDS GROWN IN CALIFORNIA

Crediting for Paid Advertising

Notice is hereby given of a proposal to amend § 981.441 of Subpart-Administrative rules and regulations (7 CFR 981.441–981.481; 38 FR 9987, 27381) to (1) permit crediting a handler's assessment obligation for direct media expenditures in paid advertising which promotes the sale, consumption, or use of California almonds and almond products through the following: Any handler-owned retail store which sells almonds and almond products; any mail order catalog of almonds and almond products; and any mail order offer of almonds and almond products mentioning both a handler-owned retail store, which sells almonds and almond products, and a catalog; (2) require handler certification of information submitted for use in determining credit under these proposed provisions.

The subpart is operative pursuant to the marketing agreement, as amended, and Order No. 981, as amended (7 CFR Part 981), regulating the handling of almonds grown in California (hereinafter collectively referred to as the "order"). The order is effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674). The Almond Control Board unanimously recommended the proposal.

Section 981.41 of the order provides, in part, that the Almond Control Board may provide for crediting the pro rata expense assessment obligations of a handler with such portion of his direct expenditure for such marketing order promotion including paid advertising as may be authorized. Section 981.441 provides for a handler to receive such credit for advertising almonds, either separately or in conjunction with a complementary commodity or product. Any such crediting is subject to the stipulation in § 981.441(c) that the theme of each advertising shall promote the sale, consumption, or use of California almonds.

The proposals are based upon the Board's recognition that handler-owned retail stores and catalogs are important outlets for almonds. Even though such outlets may offer merchandise other than almonds, they still provide important benefits to the almond grower. Finally, the proposed rules are aimed at expanding the market for California almonds. The Board sees marketing expansion as essential, especially in anticipation of a sharp increase in California's almond production.

Section 981.441(d)(5) would allow a handler credit for his paid media advertising that promotes almonds and almond products through his own retail store.

The credit should be computed by multiplying the handler's allowable media expense for such advertising by the proportion of the handler's dollar volume of almonds and almond products sold through his retail store in the previous crop year to the total of all his sales through that outlet in that crop year. So that a handler would be precluded from obtaining dual credit, media advertising of almonds and almond products through his retail store which includes an almond mail order offer should qualify only under this subparagraph.

Section 981.441(d)(6) would allow paid media advertising that promotes almonds and almond products through a handler's mail order catalog. The credit should be computed by multiplying the handler's allowable media expense for such advertising by the proportion of the handler's dollar volume of almonds and almond products sold through his catalog in the previous crop year to the total of all his sales through that outlet in that crop year. Media advertising of almonds and almond products through a mail order catalog which includes an almond mail order offer should qualify only under this subparagraph.

Section 981.441(d)(7) would allow credit for paid media advertising that promotes almonds and almond products through a handler's mail order offer which also mentions the handler's retail

store selling almonds and almond products and the handler's catalog.

The creditable portion of such expense should be based on the simple average of the proportions calculated for such handler pursuant to subparagraphs (5) and (6).

A proposed § 981.441(g)(5) would also be added to require handlers who submit claims under proposed § 981.441(d) (5), (6), or (7) to certify to the Secretary of Agriculture and the Control Board the applicable information to be used by the Control Board in determining the handler's credit for media advertising. This certification would be subject to audit pursuant to § 981.70.

All persons who desire to submit written data, views, or arguments in connection with the aforesaid proposal should file the same in quadruplicate with the Hearing Clerk, U.S. Department of Agriculture, Room 112, Administration Building, Washington, D.C. 20250 to be received by June 17, 1974. All written submissions made pursuant to this notice will be made available for public inspection at the Office of the Hearing Clerk during regular business hours (7 CFR 1.27(b)).

The proposal is to amend § 981.441 Subpart—Administrative rules and regulations (7 CFR 981.441–981.481; 38 FR 9987, 27381) by adding subparagraphs (5), (6), and (7) to paragraph (d), and subparagraph (5) to paragraph (g). The proposal is as follows:

§ 981.441 Crediting for paid advertising.

* * * * *

(d) * * *

(5) Subject to the other provisions of this section, paid media expenses for advertising that promotes almonds and almond products in a handler-owned retail store shall qualify for credit. The credit shall be computed by multiplying the handler's allowable media expense for such advertising by the proportion of the handler's dollar volume of almonds and almond products sold through his retail store in the previous crop year to the total dollar volume of all his sales through that outlet in that crop year. Media advertising of almonds and almond products through his retail store which includes an almond mail order offer shall qualify only under this subparagraph.

(6) Subject to the other provisions of this section, allowable paid media expenses for advertising that promotes almonds and almond products through a handler's mail order catalog shall qualify for credit. The credit shall be computed by multiplying the handler's allowable media expense for such advertising by the proportion of the handler's dollar volume of almonds and almond products sold through his catalog in the previous crop year to the total of all his sales through that outlet in that crop year. Media advertising of almonds and almond products through a mail order catalog which includes an almond mail order offer shall qualify only under this subparagraph.

(7) Paid media advertising that promotes almonds and almond products through a handler's mail order offer, which also mentions the handler's retail store selling almonds and almond products and the handler's catalog, shall qualify for credit. The creditable portion of such expense shall be based on the simple average of the proportions calculated for such handler pursuant to subparagraphs (5) and (6) of this paragraph.

* * * * *

(g) * * *

(5) Handlers who submit claims under paragraph (d)(5), (6), or (7) of this section shall certify to the Secretary of Agriculture and the Control Board the applicable information to be used by the Control Board in determining the handler's credit for media advertising.

* * * * *

Dated: May 28, 1974.

CHARLES R. BRADER,
Deputy Director,
Fruit and Vegetable Division.

[FR Doc.74–12604 Filed 5–31–74;8:45 am]

[7 CFR Part 984]

[Docket No. AO 192–A 5]

WALNUTS GROWN IN CALIFORNIA, OREGON, AND WASHINGTON

Notice of Recommended Decision and Opportunity To File Written Exceptions With Respect to Proposed Amendment of Marketing Agreement, as Amended, and Order, as Amended

Pursuant to the applicable rules of practice and procedure governing proceedings to formulate marketing agreements and marketing orders (7 CFR Part 900; 38 FR 29717), notice is hereby given of the filing with the Hearing Clerk, U.S. Department of Agriculture, of this recommended decision with respect to the proposed amendment of the marketing agreement, as amended, and Order No. 984, as amended (7 CFR Part 984), regulating the handling of walnuts grown in California, Oregon, and Washington (hereinafter referred to collectively as the "order"). The order is effective pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (Secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674), hereinafter referred to as the "act", and any amendment which may result from this proceeding also will be effective pursuant to the act.

Interested persons may file written exceptions to this recommended decision with the Hearing Clerk, U.S. Department of Agriculture, Room 112, Administration Building, Washington, D.C. 20250, not later than the close of business on July 3, 1974. Exceptions should be filed in quadruplicate. All written submissions made pursuant to this notice will be made available for public inspection at the office of the Hearing Clerk during regular business hours (7 CFR 1.27(b)).

Preliminary statement. The public hearing on the record of which the proposed amendment was formulated was held in San Francisco, CA, January 15–17, 1974. Notice of the hearing was published in the FEDERAL REGISTER on December 27, 1973 (38 FR 35321). The proposals in the notice of hearing were submitted by the Walnut Control Board, the agency established pursuant to the amended marketing agreement and order to administer the terms and provisions thereof.

Material issues. The material issues presented on the record of hearing involve amendatory action relating to:

(1) Revising the definitions of "area of production", "Board", "merchantable walnuts", "to handle", "to pack", "kernelweight", "handler carryover", "trade demand", "free walnuts" and "surplus walnuts"; deleting the definitions of "packer", "pack", "sheller", "restricted walnuts", "marketable walnuts", "allocation percentage", "diversion percentage", "control percentages", and "control obligations"; and adding definitions for "cooperative handler", "independent handler", "withholding factor", and "hold";

(2) Revising the provisions for representation on the Board, including addition of provisions for a nonvoting delegate and establishment of two grower districts for purposes of grower representation on the Board;

(3) Revising the nomination procedures for nominees to the Board;

(4) Changing the eligibility requirements for persons serving on the Board;

(5) Making certain provisions of the order applicable to the nonvoting delegate and his alternate;

(6) Changing the Board's procedures for voting by mail or telegram;

(7) Adding authority for production research projects;

(8) Revising the marketing policy provisions, including the deadline date for holding the marketing policy meeting;

(9) Deleting the inshell volume regulation provisions and providing authority for the establishment of free and surplus percentages and withholding factors;

(10) Revising the minimum grade standard for inshell walnuts, and deleting the authority for pack specifications and different grade and size regulations for each district;

(11) Revising inspection and certification requirements;

(12) Deleting provisions on restricted obligation and providing for the control and disposition of surplus walnuts, including deletion of provisions on deferment of time for withholding surplus, providing new provisions for declaration privileges, and providing for surplus disposition credits;

(13) Making conforming changes in the provisions on interhandler transfers;

(14) Deleting provisions authorizing the Board to rent and operate storage facilities; revising the provisions on disposition of substandard walnuts; revising the provisions on assistance of the Board in meeting certain obligations; and deleting the provisions on exemptions;

(15) Making minor changes in reporting requirements; and

(16) Making such changes in the order as may be necessary to bring the entire order, as amended, into conformity with the amendatory action resulting from the hearing.

Findings and conclusions. The findings and conclusions on the aforementioned material issues, all of which are based upon evidence adduced at the hearing and the record thereof, are as follows:

(1) The definition of "area of production" in § 984.4 should be revised to mean the States of California, Oregon and Washington. Currently, the definition means those States, but further divides the area into two districts—District 1 (California) and District 2 (Oregon and Washington)—for regulatory and reporting purposes. It was proposed in the notice of hearing that the State of California be designated Area 1 and the States of Oregon and Washington designated Area 2, and that the area of production also be divided into two districts for purposes of industry representation on the Board. The boundaries of Districts 1 and 2 would have differed from the boundaries for Areas 1 and 2. However, it was concluded that dividing the area of production into Areas 1 and 2 for one purpose, and Districts 1 and 2 for another, would be confusing. Therefore, the proposal to divide the area of production into Areas 1 and 2 was not supported at the hearing and is not recommended for adoption. Instead, it was proposed that the area of production be divided into Districts 1 and 2 for purposes of Board representation, as discussed in Material Issue (2), and that "California" be substituted for "District 1" and "Oregon and Washington" be substituted for "District 2" wherever these district references currently appear in the order. This proposal should be adopted.

The name of the administrative agency of the order should be changed from "Walnut Control Board" to "Walnut Marketing Board". Substituting the word "Marketing" for "Control" in the current name of the agency would more specifically identify the Board with the basic purpose of the marketing order program which is to establish and maintain orderly marketing conditions for walnuts.

The current definition of "merchantable inshell walnuts" in § 984.11(a) defines these walnuts to mean all inshell walnuts meeting the minimum grade and size regulations set forth in § 984.50. This definition should be revised to recognize that the grade and size regulations for inshell walnuts prescribed in § 984.50 may be modified and such modification would be set forth in administrative rules and regulations issued pursuant to the order. The change should be accomplished by substituting "effective pursuant to" for "set forth in".

The exception in the definition of the term "To handle" in § 984.13 should be revised by deleting the words "merchantable restricted" immediately after the words "authorized disposition of". Merchantable restricted walnuts are inshell walnuts withheld in satisfaction of a restricted obligation arising from the application of a restricted percentage. The words "merchantable restricted" would no longer be needed in this definition in view of the recommended deletion of the inshell volume regulation provisions. It was proposed in the notice of hearing that sales by a grower of walnuts of his own production to consumers at a roadside stand operated by him and located on his farm(s) not be considered handling and therefore should be added to the current exceptions to the definition of the term "To handle". The purpose of this proposal was to exempt growers, making such sales, from all program requirements and regulations and thus continue in effect, in a somewhat broader degree, similar provisions now contained in § 984.67. The notice of hearing also proposed to delete § 984.67 from the order. However, proponents did not support the proposal to except grower sales of walnuts at their roadside stands from the definition of "To handle", and did not support the proposal to delete § 984.67.

Section 984.17 currently defines the term "pack" to means a specific commercial classification according to size, internal quality, and external appearance and condition, of merchantable inshell walnuts, packed in accordance with the pack specifications prescribed pursuant to § 984.50. Pack specification regulations have not been used for a number of years. Therefore, as discussed in Material Issue (10), the authority in § 984.50 to establish these regulations should be deleted.

Section 984.15 currently defines "to pack" to mean to bleach, clean, grade, or otherwise prepare walnuts for market as inshell walnuts. This definition was included in the order at the time the definition of "pack" was included. The recommended decision of June 23, 1948 (13 FR 3359), indicated that the verb "to pack" had a different meaning from the noun "pack", and covered the processes which were generally considered by the walnut industry as being applicable to packing operations. The deletion of the definition under § 984.17 would free the term "pack" for use in § 984.15 in place of the term "to pack". The term "pack" allows greater flexibility in using the various forms of the verb "pack" than does "to pack" or "packing". Moreover, the distinction between "to pack" and "pack" described in the 1948 recommended decision no longer exists.

The term "packer" in § 984.16 and the term "sheller" in § 984.18 should be deleted from the order. The terms are now used in § 984.35 which deals with representation on the Board. However, § 984.35 is proposed to be revised, as discussed in Material Issue (2), and these terms are not used in the proposed revision. Thus, the terms "packer" and "sheller" would become obsolete.

The definition of the term "kernelweight" in § 984.20 should be revised to mean the determined weight of the kernels in a quantity of walnuts regardless of their quality. The term "kernelweight" is currently used in connection with restricted and surplus obligations. The term should continue to be used in connection with surplus obligations, but should be revised because of a subsequent recommendation, discussed in Material Issue (11), to establish a shelling ratio in § 984.51(b) of 45 percent for inshell walnuts for the purpose of volume regulations. In determining whether a handler has satisfied his surplus obligation, the weight of walnuts withheld by the handler would be determined as follows: (1) For inshell walnuts, the kernelweight computed by the application of the shelling ratio to the weight of the inshell walnuts; (2) for shelled walnuts, their net weight; and (3) for nonmerchantable inshell walnuts, the inspection service should determine the weight of the kernels.

The definition of the term "handler carryover" in § 984.21 should be revised to reflect the deletion of the inshell volume regulation provisions, and simplified. As revised, "handler carryover" as of any date should mean all the merchantable walnuts (except those held in satisfaction of a surplus obligation) wherever located, then held by a handler or for his account (whether or not sold), plus (1) the estimate quantity of merchantable inshell walnuts in lots then held by that handler for packing as merchantable inshell walnuts, and (2) the estimated quantity of merchantable shelled walnuts to be produced from shelling stock and unsorted material then held by that handler. The definition should include material from which shelled walnuts are produced; i.e., shelling stock and unsorted material. Shelling stock is generally considered to be orchard-run inshell walnuts or inshell walnuts that are held by a handler for shelling. Unsorted material is the product that results from the shelling of walnuts. When walnuts are shelled, the kernels are separated from the shells. However, in the initial stages of shelling, the separation is not complete; that is, shells are commingled with kernels. The industry refers to this as unsorted material. It was proposed in the notice of hearing that the phrase "except those held in satisfaction of a surplus obligation" not be included in the definition. However, this phrase should be included in the definition of "handler carryover" because including this material in handler carryover figures could distort the industry's marketing policy computations.

The provisions giving the Board the option of including Canada or Cuba in its estimate of trade demand should be removed from the definition of the term "trade demand" in § 984.22. This would make these two markets permanent export outlets. The character of these two markets, especially Canada, has changed appreciably since the inclusion of this option in the definition in 1954. Because of the competition in these markets, special pricing is necessary to compete with foreign suppliers. The objective of this change is to enable the industry to expand export demand for walnuts.

The definition of "free walnuts" in § 984.23 now applies to inshell walnuts which are included in a free percentage established by the Secretary. The recommendation to delete the inshell volume regulation provisions would enable the term "free walnuts" to be used to mean inshell and shelled walnuts which may be handled in normal markets. The term "free walnuts" is more descriptive than the term "marketable walnuts" currently used to describe those walnuts. Therefore, § 984.23 should be revised to mean walnuts which are included in the free percentage established by the Secretary pursuant to § 984.49.

The term "restricted walnuts" is defined in § 984.24 to mean inshell walnuts which are withheld in satisfaction of a restricted obligation arising from application of a restricted percentage. This term is used in connection with the inshell volume regulation provisions. Since these provisions are rcommended to be deleted, the term "restricted walnuts" would no longer be needed, and therefore should be deleted. The definition of "marketable walnuts" in § 984.25 now applies to those walnuts, inshell or shelled, which are included in the marketable percentage establishd by the Secretary. Since it is recommended that the term "free walnuts" include both inshell and shelled walnuts, the term "marketable walnuts" would no longer be needed and therefore should be deleted.

The definition of the term "surplus walnuts" in § 984.26 should be revised to mean those walnuts which are held to meet a surplus obligation. Surplus walnuts would be those walnuts which may not be marketed in inshell and shelled normal trade channels, but may be exported or disposed of in other nonnormal outlets. The current definition of "surplus walnuts" means those inshell and shelled walnuts which are withheld in satisfaction of a surplus obligation arising from application of a surplus percentage. As discussed in Material Issue (12), holding requirements for surplus walnuts would replace setaside requirements for surplus walnuts and the definition of "surplus walnuts" should be revised to reflect this change.

The terms "allocation percentage", "diversion percentage", "control percentages", and "control obligations" in §§ 984.27, 984.28, 984.29, and 984.30, respectively, should be deleted from the order. An "allocation percentage" has been used in connection with the allocation of inshell walnuts between domestic inshell markets and the shelled and export markets under the inshell volume regulation provisions. Since the inshell volume regulation provisions should be deleted from the order, this term would not be needed and should also be deleted from the order. The term "control percentages" is defined to mean free, restricted, marketable, and surplus percentages established by the Secretary pursuant to § 984.49. The term "control obligations" is defined to mean the quantity of walnuts each handler must withhold to meet the restricted or surplus percentage established by the Secretary pursuant to § 984.49. These two terms facilitate reference to such percentages and obligations when used as a group rather than individually. Because the inshell volume regulation provisions should be deleted, these two terms would no longer be needed and therefore should be deleted.

The term "diversion percentage" has been used to refer to the ratio between the surplus percentage and the marketable percentage. The ratio has been used by handlers in determining their surplus obligation based on quantities handled and for accounting use by the Board. A "withholding factor" should be substituted for the "diversion percentage" to provide a formula which is readily adaptable to industry operations. The withholding factor should be calculated by dividing the surplus percentage by the free percentage. To provide ease in operations, the factor should be rounded to the nearest one-tenth of one percent. The withholding factor should be established by the Secretary when he establishes the free and surplus percentages. The purpose of the withholding factor is to enable a handler to readily determine his surplus obligation by applying the withholding factor to the weight of walnuts handled or declared for handling. Therefore, a new § 984.32, defining withholding factor to mean the quotient, expressed as a percentage rounded to the nearest one-tenth resulting from dividing the surplus percentage by the free percentage and established by the Secretary pursuant to § 984.49, should be added.

(2) The provisions of § 984.35 dealing with the establishment of, and representation on, the Walnut Control Board (recommended to be renamed the Walnut Marketing Board) should be revised to reflect the changes which have occurred in the industry since the current provisions of that section were made effective. Therefore, § 984.35 should provide for the establishment of a Walnut Marketing Board consisting of 10 members and one nonvoting delegate, selected by the Secretary, each of whom shall have an alternate nominated and selected in the same way and with the same qualifications as the member or the nonvoting delegate. The members and nonvoting delegate and their alternates should be selected by the Secretary from nominees submitted by each of the following groups or from other eligible persons belonging to such groups: (1) Two members to represent cooperative handlers in California; (2) two members to represent independent handlers in California; (3) two members to represent growers who market their walnuts through cooperative handlers in California; (4) one member to represent growers who market their walnuts through cooperative handlers or independent handlers in California whichever category of such handlers handled more than 50 percent of the walnuts handled by all handlers during the two marketing years preceding the year in which nominations were made—the member representing growers who market their walnuts through independent handlers should be nominated at large in the State of California; (5) one member to represent growers from District 1 who market their walnuts through independent handlers in California, and those who market their walnuts through independent or cooperative handlers in Oregon and Washington; (6) one member to represent growers from District 2 who market their walnuts through independent handlers; and (7) one nonvoting delegate to represent independent and cooperative handlers whose plants are located in the States of Oregon and Washington.

For the purpose of nominating the two grower members representing Groups (5) and (6) on the Board, the area of production should be divided into two grower districts. The grower member for Group 5 represents growers in that part of the area of production which should be designated District 1 who market their walnuts through independent handlers in California, and those who market their walnuts through independent or cooperative handlers in Oregon and Washington. The grower member for Group (6) represents growers from that portion of the area of production which should be designated District 2 who market their walnuts through independent handlers. The production of walnuts extends from Hemet near the southern boundary of the State of California to a little north of the Columbia River in the State of Washington. Because of this large area of production, it is necessary to divide the area to facilitate nominations of those two members and so that growers in Oregon and Washington have a better opportunity to be represented on the revised Board. District 1 should encompass the States of Oregon and Washington and the counties in the State of California that lie north of a line drawn on the southern boundaries of San Mateo, Alameda, San Joaquin, Calaveras, and Alpine Counties. District 2 should consist of all other walnut producing counties in the State of California south of the boundary line delineated in District 1. The proposed districts are relatively equal in respect to walnut acreage and production and are divided along established boundary lines.

The Secretary should have authority to establish different boundaries between District 1 and District 2 upon a recommendation of the Board or other information. In the notice of hearing, it was proposed that the Board consider shifts in walnut acreage within and among the districts and other relevant information in recommending any change in the districts. This was discussed in detail at the hearing. It was also determined that there may be other criteria which should also be considered in determining whether a redistricting should take place. For example, the number of growers in each district could be a criterion. In order to enable the Board to exercise the greatest flexibility in determining and using the most appropriate criteria, any criteria should not be set forth in the order.

Section 984.35 currently provides representation for packers (both cooperative

and independent), and shellers. "Packer" is defined in § 984.16 to mean any person who is engaged in the business of packing walnuts or has walnuts packed for his account and handles them as inshell walnuts. "Sheller" is defined in § 984.18 to mean any person who is engaged in the business of shelling walnuts or has walnuts shelled for his account and handles them as shelled walnuts. As discussed in Material Issue (1), these terms should be deleted because the Board's membership provisions should no longer make a distinction between "packers" and "shellers". Most handlers now handle both inshell and shelled walnuts. Only about three percent of the shelled walnuts handled are handled by handlers who are exclusively shellers. Proponents testified that it is not essential that packers' views be submitted separately from shellers' views because their interests now are the same. Both sell in the same markets, market the same packs of shelled walnuts, and share the same problems. It is expected that shellers would receive adequate representation, not as shellers but as handlers, through the representation afforded handlers on the Board.

However, because of the difference in viewpoints between cooperative marketing associations of growers handling walnuts (cooperative handlers) and handlers which are not cooperative associations of growers (independent handlers), the handler members on the Board should be apportioned to represent cooperative handlers in California and independent handlers in California. Currently, § 984.35 provides representation for cooperative packers and independent packers.

These provisions should be limited to handlers in California because of the size of California's walnut production compared to walnut production in Oregon and Washington, and because of the changes recommended for the Oregon-Washington handler representation on the Board. Currently, handlers whose plants are located in Oregon and Washington are given a member and alternate member on the Board. Production and handling of walnuts in Oregon and Washington has declined appreciably since the beginning of the order. Because of this decline, the Oregon-Washington segment of the domestic walnut industry has a disproportionate share of the membership on the Board. These handlers should not be represented by a voting member and alternate member on the Board. However, their views on walnut marketing matters are still needed by the Board. Thus, the independent and cooperative handlers in Oregon and Washington should be represented on the Board by a nonvoting delegate. This would enable these handlers to present their views to the Board, exchange ideas and information with growers and handlers in California, and enable them to obtain production and marketing information and other statistical data distributed by the Board to assist them in making marketing decisions and plans. Handlers in Oregon and Washington should share in the benefits of the order and should continue to pay their pro rata share of the expenses incurred by the Board for its maintenance and functioning and such other purposes as the Secretary may deem to be appropriate.

It was proposed in the notice of hearing and at the hearing that § 984.35 should define "cooperative handler" to mean any handler which is a cooperative marketing association of growers, and "independent handler" to mean any handler which is not a cooperative marketing association of growers. However, for convenient reference, it is more appropriate that these definitions appear in that part of the order devoted to definitions. These definitions of "cooperative handler" and "independent handler" should be included in § 984.14 defining the term "handler".

Section 984.35 should also provide representation for growers marketing their walnuts through cooperative handlers, and growers marketing their walnuts through independent handlers. This would continue the current method of representation for growers marketing walnuts through cooperative or independent packers. Because of the various changes which have occurred, two members of the Board should represent growers who market their walnuts through cooperative handlers in California, one member should represent growers from District 1 who market their walnuts through independent handlers in California and those who market their walnuts through independent or cooperative handlers in Oregon and Washington, and one member should represent growers from District 2 who market their walnuts through independent handlers.

Currently, walnut growers whose orchards are in Oregon and Washington are represented by a member and alternate member on the Board. Walnut production in these two states now represents about 4 percent of the total United States commercial production and is not large enough to justify such representation. These growers should continue to be represented on the Board, but they should be included in a group which includes all independent and cooperative growers from the States of Oregon and Washington, and independent growers in the California Counties north of the southern boundaries of San Mateo, Alameda, San Joaquin, Calaveras, and Alpine Counties. This is the region previously defined as District 1. While there are minor differences between the Oregon-Washington segment of the walnut industry and the California segment, the walnut production and marketing practices in Oregon and Washington essentially are the same as in California. The major variety of walnuts grown in Oregon and Washington also is a major variety grown in California. Because of the decline in production in Oregon and Washington, it has been necessary for handlers in these states to handle walnuts grown in California. There are no major differences between the handling of walnuts in Oregon and Washington and California. Therefore, a grower in those California Counties in District 1 could represent growers in Oregon and Washington effectively.

Section 984.35 should also provide for a grower member and alternate member to represent either independent growers or cooperative growers depending upon the volume of walnuts handled by the independent or cooperative handlers in California during the two consecutive marketing years preceding the year of nomination. In this way, a definite means would be provided for maintaining approximate proportional representation between these two grower groups based on the handling of walnuts by independent and cooperative handlers in California. If over 50 percent of the walnuts handled in two consecutive years preceding the year of nomination is by the independent handlers in California, the position should be allocated to independent growers in California. If the California cooperative handlers handle over 50 percent in the two consecutive years, the position should be allocated to California growers marketing their walnuts through cooperative handlers. A period of two consecutive years should be used as a basis for the apportionment of this position. It affords the position more permanence, keeps the basis of adjustment consistent with the two-year term of office, and avoids the need for special elections before the incumbent member's term of office expires. Whenever the member position is allocated to California independent growers, the member and his alternate should be nominated at large. That is, the member and alternate should be from California, nominated by all independent growers in California, and should serve without regard to district affiliation.

Section 984.35 should continue to provide for a tenth member and alternate to be selected after the selection of the nine voting members and after the voting members have had an opportunity to nominate the tenth member and alternate. The tenth member and his alternate should be neither a walnut grower nor a handler. Historically, the walnut industry has selected the tenth member as Chairman of the Board. The industry believes that the Chairman should not be affiliated with growers or handlers because this gives him more impartiality in conducting Board meetings. Since the tenth member would be neither a walnut grower nor a handler, his views could be more reflective of consumer views.

(3) Section 984.37 should provide that the nomination for all handler members and the nonvoting delegate of the Board should be submitted on ballots mailed by the Board to all handlers in their respective group. Presently, packer votes are weighted by the quantity (rounded upward to the nearest whole ton) of merchantable inshell walnuts handled by each packer during the preceding marketing year. Sheller votes are weighted by the quantity of merchantable shelled walnuts handled by each sheller during the preceding marketing year. This should be continued. However, since packers and shellers no longer will have

separate representation, all handlers' votes should be weighted by the quantity of the kernelweight of the merchantable walnuts handled by each handler during the preceding marketing year. This change in the weighting procedure is desirable so that the votes of handlers of inshell walnuts and handlers of shelled walnuts would be weighted on the same basis.

Each independent handler in California should vote for the two independent handler nominees and their alternates. However, no independent handler should have more than one person on the Board either as a member or an alternate member. Limiting independent handlers to one person on the Board, either as a member or an alternate member, would enable more handlers to serve and thus afford a wider cross-section of industry representation. The person receiving the highest number of votes for an independent and cooperative handler member position should be the nominee for that position.

Section 984.37 currently provides that nominations on behalf of the growers who market their walnuts through cooperative handlers shall be submitted on a ballot cast by each such handler for its growers. Historically, cooperative handlers have nominated their growers to serve on the Board. This should be continued. However, § 984.37 should provide for weighting the vote of each cooperative handler in California by the kernelweight of merchantable walnuts which it handled during the preceding marketing year. This would avoid the need for run-off votes in the event more than one cooperative handler cast a ballot for the grower members.

Section 984.37 should also provide that nominations on behalf of growers in Groups (5) and (6) and Group (4) whenever Group (4) is assigned to independent growers should be submitted after ballot by such growers pursuant to an announcement by press releases of the Board to the news media in the walnut producing areas. In the notice of hearing, it was specified that nominations shall be submitted after ballot by such growers pursuant to an announcement by press releases of the Board to the principal news media. Since the Board does not limit such announcements to "principal" news media, the term "principal" is not appropriate and should not be used.

Such releases should provide pertinent voting information including the names of the candidates and the location where ballots may be obtained. Ballots should be accompanied by full instructions as to their markings and mailing and should include the names of the incumbents who are willing to continue serving on the Board and such other candidates as may be proposed pursuant to methods established by the Board with the approval of the Secretary. This procedure for the distribution of ballots is the same as that currently followed under the marketing order.

Section 984.37 should provide that each grower in Groups (5) and (6) and Group (4) when assigned to independent growers should be entitled to cast one ballot and each vote should be given equal weight. If the independent grower has orchards in both grower districts he should advise the Board of the district in which he desires to vote. The individual receiving the highest number of votes for a position should be the nominee.

Section 984.37 should also specify that the tenth member and alternate should be nominated by not less than six votes cast by the nine voting members of the Board. This number of votes is desirable for the nomination of the tenth member and alternate so that both segments of the industry (i.e., growers and handlers) agree on who should be the nominee for this position.

As currently provided, § 984.37 should provide that nominations received by the Board should be reported to the Secretary on or before June 15 of each odd-numbered year, together with a certified summary of the results of the nominations. If the Board fails to report nominations to the Secretary in the manner prescribed by June 15 of each odd-numbered year, the Secretary may select members without nomination. If nominations for the tenth member are not submitted by August 1 of any such year, the Secretary may select such member without nomination. These dates should be continued in effect as the appropriate final dates for the submission of such nominations because they would allow sufficient time to make selections.

Section 984.37 should also authorize the Board, with the approval of the Secretary, to change the nomination procedure by rule making should the need arise at a later date. The recommended procedures are designed to meet current needs, but changes in the industry could necessitate a revision of the procedures. Also, the Board may conclude on a different method of obtaining independent grower nominees. Proponents testified at the hearing that there are about 4,000 to 5,000 independent walnut growers in California. However, only about 500 to 600 independent grower ballots have been returned in prior grower nominations. Moreover, since membership positions of the Walnut Marketing Board would be different from the membership positions of the Walnut Control Board, it may be necessary to establish different procedures to obtain nominees for the initial members and alternates of the Walnut Marketing Board.

Section 984.37 should be revised to provide a transition from the membership of the Walnut Control Board to the membership of the Walnut Marketing Board. It is desirable that the initial members and nonvoting delegate and alternates of the Walnut Marketing Board be nominated and selected as soon as possible in the event the changes recommended herein are made effective. However, there will not be adequate time for the receiving of such nominations and reviewing these nominations in connection with selecting the persons to fill the positions on the Walnut Marketing Board, and for these persons to qualify, in time for the Board's September 1974 marketing policy meeting. Moreover, the persons recommending the initial marketing policy should also review it in light of updated supply and demand statistics and marketing conditions at the Board's marketing policy review meeting held the following February. Therefore, the members of the Walnut Control Board serving on the effective date of this subpart should, subject to the limitations described in § 984.38, continue serving on the Walnut Marketing Board until their terms expire June 30, 1975, and the new Board membership nominated, reported to the Secretary by June 15, 1975, selected by the Secretary for the term of office beginning July 1, 1975, and have qualified.

(4) Section 984.38 should be revised to provide that no person should be selected or continue to serve as a member, nonvoting delegate, or alternate, to represent one of the groups specified in § 984.35(a) (1) through (7), unless he is engaged in the business of the group he is to represent, or represents, either in his own behalf or as an officer or employee of a business unit engaged in such business. Also, each member or alternate member representing growers in District 1 or District 2 should be a grower, or officer or employee of a grower in the district he is to represent.

Section 984.38 now provides that no person, other than the tenth member and alternate, shall be selected or continue to serve on the Board more than 30 days after he ceases to be a member of or employed by a member of the group he represents. The recommended change would disqualify a person from further serving on the Board when he ceases to be a member of or employed by the handler or grower group he represents. In the event of a disqualification, there would be a vacancy, and the provisions of § 984.41 pertaining to vacancies would apply. Each person, except the tenth member and his alternate, selected by the Secretary to fill a position on the Board would be chosen as a representative of a certain grower or handler group (i.e., independent grower, independent handler, cooperative grower, cooperative handler) so that a good cross section of views on program matters may be obtained. Each of these person's views may vary from those of other industry representatives and such views need to be reflected in Board deliberations. When a person ceases to be a member of or employed by the group that nominated him, he no longer represents that group and may be unable to obtain the views of those he was chosen to represent.

Consistent with the intent that a member should be representative of the group which nominated him, § 984.38 should also provide that any person representing growers in District 1 or District 2 should be a grower, or officer or employee of a grower, in the district he is to represent.

In the notice of hearing § 984.38 was proposed to provide that no person shall be selected or continue to serve as a member or alternate or as a nonvoting

delegate or his alternate, who is not actually engaged in the business of one of the groups in § 984.35(a), which he represents either in his own behalf or as an officer or employee of a business unit engaged in such business. Since all of the groups in § 948.35(a) are grower and handler groups, the proposed provisions would have required all members, nonvoting delegate, and their alternates, to be growers or handlers. This is not consistent with § 984.35(b) which specifies that the tenth member and his alternate should be neither a walnut grower nor a walnut handler. At the hearing, it was established that the eligibility provisions should not apply to the tenth member and his alternate, but only to the grower and handler members, nonvoting delegate, and their alternates.

(5) Certain provisions of the order applicable to Board members and their alternates should also be applicable to the nonvoting delegate and his alternate. Thus, provisions on the term of office of Board members (§ 984.36), eligibility (§ 984.38), qualification and acceptance (§ 984.39), functions of alternate members (§ 984.40), filling vacancies (§ 984.41), members' expenses and compensation (§ 984.42), and personal liability (§ 984.84), should be revised to include the nonvoting delegate and his alternate. Because the nonvoting delegate and his alternate would not vote in Board meetings, the provisions of §§ 984.40(b) and 984.45 should not be applicable to the nonvoting delegate and his alternate.

(6) Paragraph (c) of § 984.45 should be revised to provide that the Board may vote by mail or telegram upon due notice to all members and alternate members. The revision should further provide that when any proposition is submitted to be voted on by any of these methods, one dissenting vote shall prevent its adoption. This would replace the current provisions for voting by mail or telegram which provide that when any proposition is submitted for voting by these methods, one dissenting vote or failure of a member or alternate to vote shall prevent its adoption until submitted to a meeting of the Board. Proponents indicated that any proposition to be voted on by mail or telegram should not be defeated if a member (or his alternate acting in his place) fails to vote.

Generally, the Board has used mail or telegram voting to obtain approval of the distribution of surplus pool proceeds to equity holders and establishment of minimum export prices. It has not used this method of voting for controversial matters requiring full discussion by Board members. However, a failure to vote when the Board has used these methods has delayed some of its actions. The purpose of the change is to rectify this situation. Paragraph (c) should continue to require the Board to give all members and alternates due notice of any proposition under consideration. It should be recognized, though, that any notice, however complete, may not answer all members' questions. Therefore, no proposition should be adopted unless it is unanimously approved by all members voting by one of these methods. The hearing record indicates that paragraph (c) should authorize a minimum voting requirement. In the absence of such a requirement, a proposition could be approved by a minority of Board members, so long as the voting was unanimous. It was also recognized at the hearing that it may be necessary to prescribe a time limit in the administrative rules and regulations for members to vote, after which the alternate should be given opportunity to vote.

(7) Section 984.46 should be revised to permit the Board to establish or provide for the establishment of production research projects. The purpose of such projects should be to assist, improve or promote the efficient production of walnuts. They should be financed from assessment funds collected from handlers.

There are many serious production problems in the walnut industry, and it should have means available to finance projects designed to find solutions to these problems. The record indicates that public funds are becoming increasingly difficult to obtain and that authority for the Board to establish, or provide for the establishment of, production research projects would give the industry opportunity to work on its own problems.

(8) Section 984.48 currently provides that each marketing year prior to September 20, the Board shall hold a meeting for the purpose of recommending to the Secretary a marketing policy for such year. The notice of hearing proposed that this date be changed to October 1. For the reasons discussed in the succeeding paragraphs, the September 20 date should not be changed.

Proponents indicated that the primary reason for proposing the change in the date is to aid the Board in making marketing determinations. Proponents testified that the later date would give the Board additional time to gather the best possible and most up-to-date information on the size of the domestic walnut crop and competing nut supplies. While the Department's official crop estimate of September 1 is not released until the tenth or twelfth of the month, it is based on data collected in August. This is about two or three weeks before harvest of early crop walnuts begins. Proponents indicated that weather or other factors could influence the size and the quality of the crop after this data has been submitted. While adverse weather could influence the crop during this period, its development is sufficiently far advanced that the likelihood of substantial damage occurring during the period before harvest is small. Naturally, if unusually adverse weather sharply reduces the crop, § 984.48 permits the Board to use its own estimate of production in recommending its marketing policy.

Proponents stated that another important marketing policy consideration is the foreign market, and that in certain years a 10-day additional study, from September 20 to September 30, of this market may be necessary. However, the order provides a method for limiting the total quantity of walnuts that can be marketed in normal markets. The foreign market is one of the outlets for the disposition of excess walnuts and is of secondary importance to the normal markets. Hence, the need for additional time to study the foreign market should not be a basis for changing the marketing policy meeting date.

Proponents also testified that the marketing policy meeting should be held prior to October 1 because the Board's management needed more time than that afforded by the September 20 date to verify data needed at the meeting. This data includes the walnut carryover from the prior marketing year, the size of the new crop, competing nut supplies, prior years' shipments in the domestic market and dispositions in foreign markets, and prices for walnuts and competing tree nuts.

The September 20 deadline date gives the Board management about six weeks to collect and verify data used by the Board at its marketing policy meeting. The Board has been meeting prior to September 20 since 1954 and its management has been able to prepare this data in time for the meeting. While proponents testified that an additional three or four days would be helpful in verifying this data, they also indicated this was a minor consideration in proposing a change in the deadline date.

Establishment of free and surplus percentages would be subject to rule making procedures. Under normal rule making procedures, about 30 days would elapse between a Board's recommendations to the Secretary, and the Department's action establishing any percentages for a marketing year. Thus, if the Board's marketing policy meeting were held as late as September 30, establishment of free and surplus percentages would not occur until at least the latter part of October. By then, harvesting of walnuts has almost been completed, and handlers have actively been marketing walnuts, especially inshell walnuts, for at least four to six weeks. Because of this activity, any percentages should be established before the latter part of October so that growers, handlers, buyers, importers, and anyone else connected with the walnut industry can act accordingly.

Testimony in opposition to the October 1 date was presented by independent growers of the National Farmers' Organization. They testified that the meeting should be held prior to September 1. Opponents contended that firm independent grower prices are not set before the marketing policy meeting and that this meeting has normally been held on or about September 19. They testified that growers of early crop walnuts begin harvesting prior to this time and some are hesitant to deliver their walnuts until a firm field price is set. Opponents also contended that if a grower knew what his crop was worth before it was harvested he would be able to deliver his walnuts earlier. Early delivery to handlers reduces the chances of weather and insect damage which could occur if walnuts are left too long in the orchard following harvest, and enables growers and han-

dlers to more efficiently utilize their harvesting and processing facilities.

The record indicates that independent grower prices are established by negotiations between independent growers and independent handlers and are based on other economic factors in addition to those discussed at the marketing policy meeting. Each handler has an idea of the price he is willing to pay, based on his evaluation of the market at a given time. He will determine this price based on what he believes he can receive in the marketplace and make a reasonable profit. It was also indicated that independent handlers and growers use the Board's marketing policy recommendation as a starting point for price bargaining. Therefore, the Board's estimates must be based on the best possible data and must be realistic. Otherwise, handlers and growers would be unable to rely on the Board's recommendation.

Moreover, the volume regulation provisions are designed to solve problems associated with total walnut supplies available for the entire marketing year. Accurate estimates are needed to enable the Board to recommend meaningful regulations for a marketing year. The initial volume regulation which is recommended and established by the Secretary can be adjusted. However, the quantity required to be disposed of in nonnormal outlets can only be decreased in making such an adjustment. Hence, the initial regulation must be accurate to keep excess walnuts out of the domestic market for the purpose of orderly marketing. Since the Department's estimate of the new walnut crop is not available until September 10 or 12 and other essential statistical data used by the Board is not available until at least mid-September, it would be impossible for the Board to make its marketing policy recommendation before September 1.

Section 984.48 should be revised to bring the estimates and recommendations now considered by the Board in making its marketing policy each year in line with the recommended deletion of the inshell volume regulation provisions. Some of these considerations are no longer needed in view of the recommended deletion of these provisions and some can be combined to shorten the section. Accordingly, the requirement to separately estimate the quantity of merchantable inshell walnuts and the quantity of merchantable shelled walnuts likely to be produced should be deleted. In place of the estimates of merchantable inshell and shelled walnuts likely to be produced the Board should estimate the total quantity of merchantable walnuts and the quantity of substandard walnuts in the production. The requirement for recommending merchantable free and restricted percentages for inshell walnuts should also be deleted in view of the recommended deletion of these volume regulation provisions.

Some of the Board recommendations and estimates for inshell and shelled walnuts are now listed separately in § 984.48; for example, the estimates of handler carryover of merchantable inshell walnuts and shelled walnuts on August 1, the recommendation for desirable handler carryover for inshell walnuts and shelled walnuts on July 31 of the marketing year, and the Board's estimate of merchantable trade demand for inshell walnuts and shelled walnuts. The Board has not recommended free and restricted percentages for several years. In recommending marketable and surplus percentages, the Board has considered these factors together in arriving at its marketing policy.

In the notice of hearing the second sentence of § 984.48(a) began with the words "Each such recommendation" which would imply that more than one marketing policy recommendation may be made by the Board. At the hearing, proponents indicated that they did not intend there be more than one recommendation by the Board, and that "Each" was intended to mean "Each year" rather than several recommendations in the same year. Accordingly, the second sentence of § 984.48(a) should be revised by substituting the words "Each year such recommendation" in place of "Such recommendation".

Section 984.48 should also require the Board to include in its recommendation to the Secretary on marketing policy its opinion as to whether grower prices are expected to exceed parity. The relation of grower returns to parity is an important guideline under the act. No actions can be taken which have as their purpose the maintaining of grower prices above the parity level. There are no published grower prices for that year's crop of walnuts when the Board holds its September marketing policy meeting. Because of their familiarity with walnut growing and marketing conditions at this time, members of the Board have the best information available on the likely level of the grower price. The notice of hearing provided for the Board to submit an estimate as to whether grower prices are likely to exceed parity. The word "opinion" instead of "estimate" better describes the Board's action in informing the Secretary of whether the grower price is likely to exceed parity and hence should be substituted for "estimate" in the provision.

Another proposed change in the factors to be considered by the Board in its marketing policy deliberations concerns the recommendation as to whether the grade and size regulations should be changed for the marketing year. Presently, the Board must make a recommendation as to grade and size regulations each year. This should be changed so that the Board is only required to make a recommendation whenever it determines that these regulations should be changed. Hence, grade and size regulations would continue in effect until a change is recommended by the Board and approved by the Secretary.

The notice of hearing proposed that the Board include, in its marketing policy recommendations, an estimate of the orchard-run production by the states in the production area. Historically, the Board has adopted the Department's official estimate of walnut production, as of September 1, which includes a breakdown of the production by states. Therefore, it is unnecessary for the Board to make this estimate by states. Also, in the notice of hearing, area designations were used to describe the states in the area of production. As discussed in Material Issue (1), the State of California and the States of Oregon and Washington should be named rather than described as Area 1 and Area 2, respectively.

(9) Section 984.49 should be revised to delete the inshell volume regulation provisions. The provisions have not been utilized since 1958 and now serve no useful purpose. Changes in walnut production and marketing over the years have made these provisions obsolete. The scope of their control was limited to the allocation of inshell walnuts in domestic markets. Utilization of domestic inshell walnuts has stabilized at about 50 million pounds and it may not change materially in the near future, whereas a trend toward greater utilization of shelled walnuts can be expected to continue. During the 1967–68 marketing year, almost 44 million pounds of shelled walnuts were sold, whereas a total of about 64 million pounds were sold during the 1972–73 marketing year. Currently, over 71 percent of the total United States commercial production is sold in the shelled form. Moreover, it is likely that the total walnut supply will continue to exceed the combined demand for inshell and shelled walnuts. Therefore, the inshell volume regulation provisions no longer serve any useful purpose and should be deleted.

The provisions in § 984.49 authorizing the control of walnuts (both inshell and shelled) should be retained to promote orderly marketing of walnuts. These provisions provide control for the quantity of inshell and shelled walnuts that can be marketed in normal markets. The excess supplies should continue to go into export, government purchases, charitable institutions, oil, feed, or other nonnormal outlets. The free percentage should prescribe the portion of the merchantable supply that may be handled in normal markets and the surplus percentage should prescribe the portion that must be withheld from such handling.

The current requirement that the surplus percentage for Oregon and Washington be one-half that of California should be continued in effect in recognition of production and marketing differences between these three states. California dominates the market with over 96 percent of the total United States' commercial production.

Provisions should also be included in § 984.49 for the establishment by the Secretary of withholding factors for California, and Oregon and Washington, when surplus percentages other than zero are established. When applied to the quantity of merchantable walnuts handled by a handler, the factors would serve as a ready means in determining handlers' surplus obligations.

To conform with the previous recommendations, § 984.49 should also be revised to provide that prior to Feb-

ruary 15 of the marketing year the Board may recommend that the free percentage be increased, the surplus percentages be decreased, and the withholding factors modified. On the basis of the Board's recommendation or other information the Secretary may establish such revisions and modifications. Upon revision, all surplus obligations theretofore accrued on the walnuts handled or declared for handling during such year on the basis of previously effective percentages should be adjusted accordingly. Section 984.49 currently authorizes the revision of control percentages previously established for a marketing year.

(10) Paragraph (a) of § 984.50 should be revised by deleting "U.S. No. 3" in the first sentence and substituting instead "U.S. No. 2". The minimum standard for inshell walnuts which handlers are permitted to handle currently is U.S. No. 3. That grade is defined in the United States Standards for Grades of Walnuts (Juglans regia) in the Shell. The purpose of this change is to increase the quality level of inshell walnuts so as to maintain this market. U.S. No. 3 inshell walnuts are not satisfactory to consumers, both in domestic and export markets.

Walnuts which are below U.S. No. 2, as to external appearance and the condition of the shell, have a greater area of the shell affected by staining, perforations, and adhering dirt or other foreign matter. The only difference between U.S. No. 3 and U.S. No. 2 internally is the color of the kernels. U.S. No. 2 requires 60 percent of the kernels to be light amber or lighter and the remaining 40 percent amber or lighter, and free from grade defects such as shriveling, insect damage, rancidity and mold. Kernels of U.S. No. 3 must be amber or lighter, and free from grade defects.

Most handlers have been packing inshell walnuts of U.S. No. 2 quality to meet consumer demand in domestic and export outlets. This revision would benefit the industry and consumers by assuring that no handler would be able to sell U.S. No. 3 inshell walnuts. Such sales cause consumer dissatisfaction and therefore reduce purchases of inshell walnuts.

Only a small percentage of the United States' commercial production annually grades U.S. No. 3. In 1972, about 9.5 percent of the United States commercial production was U.S. No. 3, and 18.9 percent in 1973. Increasing the grade requirements will not short the inshell market. Also, since walnuts meeting U.S. No. 3 requirements can be shelled and marketed in shelled markets, the increased requirements will not reduce the overall supply of walnuts available for human consumption.

The provisions in § 984.50 authorizing additional grade and size regulations in the form of pack specification as to grades and sizes that may be handled, and provisions authorizing different grade and size regulations for each district (i.e., the State of California, and the States of Oregon and Washington) should be deleted. The United States Standards for Grades of Walnuts (Juglans regia) in the Shell have been used by the walnut industry since 1959. Since then, the Board has not recommended the establishment of pack specifications. Currently, there is no need for pack specifications and no likelihood that any would be established in the foreseeable future. The authority for different grade and size regulations for each district was included in the event growing conditions between these states created significant differences in quality during a marketing year. However, as discussed previously, walnut production in Oregon and Washington essentially is the same as in California. Moreover, commercial production of walnuts in the States of Oregon and Washington has declined to such an extent that some California walnuts are packed and handled by Oregon handlers and, in some cases, commingled with Oregon grown walnuts and marketed in the same pack.

(11) Section 984.51 should be revised to provide that before or upon handling any walnuts or disposing of any surplus walnuts each handler at his own expense shall cause such walnuts to be inspected to determine whether they meet the then applicable grade and size regulations. Such inspections should be performed by the inspection service designated by the Board with the approval of the Secretary. Handlers should obtain a certificate for each inspection and cause a copy of each certificate issued by the inspection service to be furnished to the Board. Each certificate should show the identity of the handler, quantity of walnuts, the date of inspection, and for inshell walnuts the grade and size of such walnuts set forth in the United States Standards for Walnuts (Juglans regia) in the Shell. Certificates covering surplus walnuts for export should also show the grade, size and color of such walnuts as set forth in the United States Standards for Shelled Walnuts (Juglans regia). The Board should be authorized to prescribe such additional information to be shown on the inspection certificates as it deems necessary for the proper administration of the order and all rules, regulations, and supplementary orders issued under the order.

Section 984.51 currently requires, in part, inspection and certification before or upon withholding any walnuts. This requirement places an unnecessary burden on handlers and should be eliminated. Instead, provision should be made for the inspection and certification of surplus walnuts before disposition by the handler in eligible surplus outlets for delivery to the Board upon its demand.

Section 984.51 should also be revised by the addition of provisions establishing a conversion percentage to determine the kernelweight of inshell walnuts handled or disposed of as surplus. These should provide that the weight of merchantable inshell walnuts handled or disposed of as surplus shall be converted to kernelweight equivalent at 45 percent of the inshell weight. To recognize changes which may occur from time to time, such as introduction of new varieties, the Board with the approval of the Secretary should be authorized to change the conversion percentage. The conversion percentage would be used to compute each handler's surplus obligation on inshell walnuts handled, and to determine the surplus credit on exports of merchantable inshell walnuts. This use should reduce the time and cost of inshell walnut inspections and accounting costs of the Board in years of volume regulation. The kernelweight of inshell walnuts in California has been quite uniform at about 45 percent of the weight of the walnut.

While there is a small difference in the kernelweight between walnuts produced in the State of California, and walnuts produced in the States of Oregon and Washington, it is not sufficiently large to cause any inequities among handlers in California and in Oregon and Washington. Production of walnuts in Oregon and Washington is predominately of the Franquette variety, whereas a number of varieties are grown in California. Not all varieties have the same crackout ratio. However, in the aggregate, the ratio of all varieties approximates 45 percent.

Section 984.51 also provides for identification of walnuts that have been inspected and certified. These walnuts are termed "certified walnuts" in §984.51. Identification of these walnuts is needed for the Board to determine compliance with the quality and size, and the minimum kernel content requirements of the program. However, the inspection service issues a certification to the handler when a lot also fails to meet the applicable requirements. For program purposes, it is not necessary that walnuts failing to meet these requirements be identified. It is necessary that merchantable walnuts, and surplus walnuts that have been inspected, be identified. Therefore, "certified" should be deleted from the identification requirements and "merchantable and surplus" substituted instead.

Section 984.51 also authorizes the Board to require a reinspection and recertification of any lot of walnuts when it determines that the length of time in storage or conditions of storage have caused, or would cause, the walnuts to deteriorate in quality. For purposes of clarification, this provision should be revised to apply only to merchantable walnuts previously inspected.

(12) The center heading immediately preceding § 984.54 should be changed from "Controlled Walnuts" to "Surplus Walnuts" to more accurately reflect the provisions which should appear under this heading. Section 984.54 should be amended by revoking certain provisions, by revising others, and by transferring others to different sections. Section 984.54 currently contains provisions pertaining to the withholding obligation of handlers (restricted obligation or surplus obligation) whenever the applicable control percentages are in effect.

Deletion of the inshell volume regulation provisions should include deletion

of the provisions on restricted obligation. With respect to surplus obligation, § 984.54 provides that no handler shall handle walnuts unless prior to or upon shipment thereof (or purchase if applicable) he has withheld a quantity of walnuts meeting the applicable grade requirements for surplus walnuts. Section 984.54 also requires walnuts withheld as surplus to be set aside and held for the account of the Board, held in proper storage, and identified. It is no longer essential to require handlers to set aside and identify walnuts as surplus following withholding. Instead, § 984.54 should be revised to provide that whenever free and surplus percentages are in effect for a marketing year each handler should withhold from handling the quantity of walnuts equal to the application of the withholding factor to the quantity of kernelweight handled or declared for handling. The quantity of walnuts required to be withheld from handling should constitute the "surplus obligation" of a handler. Section 984.54 should also provide that walnuts handled as free walnuts by any handler in accordance with the requirements of Part 984 should be deemed to be that handler's quota fixed by the Secretary within the meaning of section 8a(5) of the act.

A handler would satisfy his surplus obligation by holding sufficient walnuts in his inventory to meet his surplus obligation. Therefore, § 984.54 should also provide that each handler should, at all times, hold in his possession or under his control, in proper storage the quantity of walnuts necessary to meet his surplus obligation.

In the notice of hearing, it was proposed that such holding be for the account of the Board. That term currently is used in § 984.54 in connection with provisions requiring walnuts withheld as surplus by a handler to be set aside and held by him for the account of the Board. At the hearing, it was indicated that this term has special significance in connection with the current volume regulation provisions, but that the term would lose significance in connection with the changes proposed to be made in these provisions. Under the proposal and as recommended herein, handlers no longer would be required to set aside and identify walnuts withheld as surplus. Moreover, the term "account" may have a legal connotation insofar as title or control is concerned. Under the proposal, the handler would retain ownership and control of walnuts withheld from handling in satisfaction of his surplus obligation, but he would be accountable to the Board for sanction if he did not have them in the event the Board requested an accounting. Since other provisions would authorize the Board to request an accounting from handlers, requiring a holding "for the account of the Board" is not recommended for adoption.

Since a handler would be required to hold a quantity of walnuts to meet or satisfy his surplus obligation, the term "hold" should be defined to specify all the incidents of any holding. Therefore, a new § 984.33 should be included in the definitions defining the term "hold" to mean to maintain possession or keep control of, in proper storage, at all times, the quantity of walnuts necessary to meet a surplus obligation.

It should be recognized that, as the marketing season progresses, the quantity of walnuts required to be held by a handler as surplus would not equal his surplus obligation due to authorize disposal and other possible reductions. For the purposes of surplus management and handler compliance, § 984.54 should set forth the permissible reductions in the quantity of surplus walnuts a handler is required to hold. A handler's holding requirement should be reduced by any quantity disposed of by him in eligible surplus outlets, and by any quantity for which he is otherwise relieved by the Board of responsibility to hold. For example, the Board may relieve a handler from the holding requirement when he obtains credits for dispositions in excess of a surplus obligation from another handler, when the Board requires the handler to deliver surplus walnuts to the Board, or loss of walnuts through conditions beyond the handler's control, such as through fire, earthquake, or flood.

Section 984.54 currently provides that the control obligations applicable to the district of production shall apply to any walnuts transferred to the other district prior to handling. This provision should be deleted because a similar provision would be contained in the recommended revision of § 984.48.

Section 984.54 currently authorizes any handler, prior to the end of the marketing year, to satisfy his control obligation on certified merchantable walnuts which he declares for handling by withholding enough walnuts to meet the obligation on the declared walnuts. This should be deleted because new § 984.57, "Declaration privilege", as subsequently discussed, would include this authority.

Section 984.54 also contains provisions dealing with the release of any restricted or surplus walnuts from withholding in excess of the handler's withholding obligation. These provisions should be deleted because they are unnecessary and would be covered by recommended provisions in § 984.54 on handlers' holding requirements.

In the notice of hearing, a handler's holding requirement was proposed to be reduced by the quantity of walnuts for which he has a deferment of time for holding walnuts. The provisions for deferment of time for holding surplus were proposed to be included in § 984.55. This section was not supported at the hearing. Moreover, proponents proposed that the current provisions of § 984.56 providing for deferment be deleted. Currently, the major outlet for surplus walnuts is in the export market. It is expected that the export market would continue as the major outlet for surplus walnuts in the event the changes recommended herein are adopted. Most walnut exports occur during the first four months of the marketing year. Therefore, a substantial quantity of surplus credits are available early in the marketing year. Dispositions into export plus dispositions into oil outlets and authority for handlers to transfer excess disposition credits to other handlers enable handlers to meet their surplus obligations without resorting to the temporary deferment authorized in § 984.56. Moreover, the provisions of § 984.56 have not been used for many years. Accordingly, the provisions of § 984.56 should be deleted and proposed § 984.55 is not recommended for adoption.

Provisions currently in § 984.61 dealing with the exportation of merchantable surplus walnuts by the Board or by handlers acting as agents of the Board and the provisions in § 984.62 providing for the pooling of surplus walnuts not disposed of by handlers as agents of the Board should be revised and placed in a revised § 984.56. Revised § 984.56 should specifically provide for the crediting of surplus disposition by a handler against his surplus obligation established pursuant to § 984.54.

Section 984.56 should provide for the sale or shipment by the Board or handlers acting as agents of the Board of merchantable surplus walnuts (1) in export to destinations outside of the United States, Puerto Rico, and the Canal Zone, (2) to Government agencies, or (3) to charitable institutions. The Board should be obligated to dispose of only such quantities of walnuts for which it is able to find satisfactory outlets. Any handler may be designated an agent of the Board under such terms and conditions as the Board may specify for such sales or shipments. The Board, with the approval of the Secretary, may designate other outlets which are noncompetitive with normal market outlets for walnuts. The kernelweight of merchantable surplus walnuts disposed of in accordance with § 984.56 should be credited against the applicable handler's surplus obligation, so long as the disposition "intention" is filed with the Board by August 31 of the succeeding marketing year and shipment from the area of production is completed by the following September 15.

Donations of surplus walnuts in the foregoing outlets by handlers as agents of the Board should also be credited against the applicable handler's surplus obligation. All surplus dispositions by the Board or by handlers acting as agents of the Board should be made with proper safeguards to prevent such walnuts from thereafter entering the channels of trade in normal markets.

Provisions should be included in § 984.56 specifically providing for the pooling by the Board during the marketing year of surplus walnuts. However, the Board should not accept delivery of any surplus walnuts for pooling and disposition prior to making a determination on or before December 15 of any marketing year as to the percentage of a handler's surplus obligation which may be accepted for pooling and disposition prior to February 15 of such year. Pooled surplus walnuts should be disposed of by the Board upon the best terms and best prices obtainable consistent with the ultimate and complete disposition of

surplus, subject to the following conditions: No surplus walnuts shall be sold in the United States, Puerto Rico, and the Canal Zone, other than to Government agencies or to charitable institutions for charitable purposes or for diversion into walnut oil, poultry or animal feed, or such other uses as the Board finds to be noncompetitive with normal markets and with proper safeguards in each case to prevent such walnuts thereafter entering the channels of trade in such normal markets.

Section 984.56 should authorize the Board to rent and operate or arrange for the use of facilities for storage and disposition of surplus walnuts delivered to it.

. Any surplus walnuts remaining unsold as of August 31, or for which a handler is not relieved by the Board of the responsibility to hold should be pooled and disposed of by the Board as soon as practicable through the most readily available surplus outlets. Upon demand of the Board, surplus walnuts should be delivered to the Board f.o.b. handler's warehouse or point of storage, except that the Board should not make such demand upon a handler with respect to surplus walnuts for which the handler has agreed to undertake disposition pursuant to Board authority.

Expenses incurred by the Board in receiving, holding, and disposing of pooled surplus walnuts should be charged against the proceeds of the sales of such surplus walnuts. The remaining proceeds from the disposition of pooled surplus walnuts should be distributed pro rata by the Board to each handler in proportion to his contribution thereto, measured in kernelweight, or such other basis as the Board may adopt with the approval of the Secretary.

Up to now, the Board has disposed of all pooled surplus walnuts in oil and feed outlets where the quality of walnuts makes little difference in the sales price. However, with larger crops expected, it is probable that better quality walnuts may be pooled and sold in outlets which pay a higher price than the oil and feed outlets. For example, some pooled walnuts could be sold in export at much higher prices than such diversion outlet returns. Hence, it would be desirable to treat each quality category as a separate pool, charge each pool the applicable expense, and distribute the remaining proceeds to the respective handlers whose walnuts were sold from each pool. Hence, different methods of distributing remaining proceeds may be required to insure equity. Section 984.56(d) should contain authority to permit the Board to distribute remaining proceeds on such other basis as the Board may adopt, with approval of the Secretary.

A new § 984.57 "Declaration privilege" should be added to the order providing that any handler may at any time prior to the end of the marketing year satisfy his surplus obligation with respect to a specified quantity of merchantable walnuts which he then owns and has on hand and on which he declares to the Board his intention to handle, by holding a quantity of walnuts sufficient to meet the surplus obligation on the walnuts so declared for handling. This permits a handler to satisfy his surplus obligation on walnuts declared for handling by holding a quantity of walnuts sufficient to meet the obligation on such walnuts. Physical disposal into surplus outlets is not required. Similar provisions currently are prescribed in § 984.54. In the notice of hearing, it was proposed that a handler must have satisfied his surplus obligation on all handlings to the date of declaration to declare walnuts in this manner. However, proponents indicated at the hearing that physical disposal into surplus outlets would be required to satisfy the surplus obligation on all handlings to the date of declaration. This provision is not recommended for adoption because the method of satisfying the surplus obligation is inconsistent with the method in the recommended provisions.

The notice of hearing also proposed that a quantity of walnuts held to meet the surplus obligation be merchantable walnuts. However, proponents indicated at the hearing that a handler should only be required to hold a quantity of walnuts with sufficient kernelweight to meet his obligation on walnuts declared for handling. Section 984.54 provides that if the declared quantity is not handled by the end of the marketing year the handler many cancel the applicable withhohlding prior to the end of the marketing year. This authority has not been used by handlers and the provision should be deleted. However, should a handler declare more walnuts for handling than he subsequently shipped or otherwise handled, he should, upon request to the Board, have any of such excess quantity removed from declaration and his surplus and assessment obligations adjusted accordingly.

The center heading "Disposition of Controlled Walnuts" together with § 984.60 dealing with shelling restricted walnuts, § 984.61 dealing with export of merchantable restricted and merchantable surplus walnuts, and § 984.62 dealing with surplus pool walnuts, should be deleted.

As indicated previously, the kernelweight of surplus walnuts disposed of by a handler in accordance with the applicable provisions of revised § 984.56 should be credited against the handler's surplus obligation. In the event a handler disposes of more walnuts than his surplus obligation, the order should make provisions for the excess surplus credits. Provisions for surplus credit currently are contained in §§ 984.61 and 984.62, which are recommended to be deleted. Therefore, a new § 984.58 "Excess surplus credits." should be added. New § 984.58 should consolidate these provisions in one section, and include additional provisions on surplus credits. Section 984.58 should provide that at any time during a marketing year, upon a handler's written request, the Board shall transfer part or all of the handler's credit for disposition of surplus walnuts in excess of his surplus obligation to any handler designated by the requesting handler. It may be that a handler's disposition of surplus walnuts in excess of his surplus obligation occurs too late in the marketing year to enable the Board to transfer the excess surplus credit to another handler before August 1, the beginning of the next marketing year. In the event a handler has excess surplus credit on August 1 carried over from the preceding marketing year, he should have until September 15 to transfer such excess surplus credit to other handlers. Therefore, § 984.58 should also provide that any excess surplus credit not transferred by August 1 should be transferred by the Board upon the handler's written request so long as the Board received the request no later than September 15. The transferred credit should be applied only to the transferee handler's surplus obligation of the marketing year just ended. It may be that a handler does not dispose of sufficient surplus walnuts during a marketing year to equal his surplus obligation. However, during the August 1 through September 15 period, he may dispose of sufficient surplus walnuts to equal or exceed that surplus obligation. In that event, he should be able to have such disposition credited retroactively to that surplus obligation. Therefore, § 984.58 should also provide that credit earned by a handler from the disposition of surplus walnuts during the period August 1 to September 15 may be applied by the Board to the handler's surplus obligation of the preceding marketing year. Section 984.58 should also enable a handler to have the Board apply all or part of such credit to his surplus obligation of the current marketing year, or to transfer such credit to another handler for application to that handler's surplus obligation also during the current marketing year.

(13) In order to improve order organization, the provisions of § 984.55 "Interhandler transfers" should be transferred to a new § 984.59. The notice of hearing also proposed that paragraphs (b) and (c) currently contained in § 984.55 be omitted from the interhandler provision. However, the record indicates that the provisions of these paragraphs are necessary for proper administration of the interhandler provisions and should therefore be included in new § 984.59. In view of other recommended changes, it is necessary to make conforming changes in the interhandler provisions. In paragraph (a) reference to "free walnuts" (those walnuts currently included in the free percentage of the inshell volume regulation provisions) and to "packers" and "shellers" should be deleted since the inshell volume regulation provisions and the terms "packers" and "shellers" are recommended to be deleted. In addition, the term "surplus obligation" should replace the term "control obligations" wherever it appears.

(14) The notice of hearing proposed to revise § 984.63 "Storage facilities". Section 984.63 authorizes the Board to rent and operate or arrange for the use of facilities for storage and disposition of surplus walnuts. Proponents did not sup-

port the proposed revision at the hearing and proposed that current § 984.63 be deleted because authority for renting and operating storage facilities is included in new § 984.56. Therefore, the proposed revision of § 984.63 is not recommended for adoption and § 984.63 should be deleted.

The notice of hearing contained a proposal to revise § 984.64, "Disposition of substandard walnuts". This proposal is not recommended for adoption because it was withdrawn at the hearing and no testimony was offered to support it.

Current § 984.66, "Assistance of the Board in meeting control obligations" should be retitled "Assistance of the Board in meeting surplus obligation", and all references to "control obligations" should be changed to "surplus obligation" since "control obligations" are recommended to be deleted.

The notice of hearing contained a proposal to delete § 984.67, "Exemptions". However, proponents did not support this proposal and indicated that § 984.67 should not be deleted, but any conforming changes made be based on any recommended changes. Paragraph (a) of § 984.67 is entitled *Exemption from volume regulations.* and provides, in part, that control percentages shall not apply to lots of merchantable inshell walnuts which are of the mammoth size or larger. In view of the changes recommended in the volume regulation provisions, the heading of paragraph (a) should be changed to *Exemption from volume regulation.* and the term "Control percentages" changed to "Surplus percentages".

(15) The provisions of § 984.71, pertaining to reports of handler carryover, should be revised to provide that each handler shall submit to the Board in such form and at such dates as the Board may prescribe, reports showing his carryover of inshell and shelled walnuts. Currently, each handler, on or before August 15 and January 15 of each marketing year, is required to file with the Board a written report of his handler carryover of inshell and shelled walnuts as of August 1 and January 1 on such forms as the Board may prescribe. The changes recommended in the order may require such reports at different times than currently prescribed. Deletion of the dates from § 984.71 would give the Board an opportunity to study order operations under the new volume regulation provisions and determine when it needs these reports.

Section 984.73, "Reports of disposition of controlled walnuts" is no longer needed under the order recommended for amendment and should be deleted. Pursuant to the recommended changes, the only controlled walnuts would be surplus walnuts and other provisions would require handlers to report their dispositions of surplus walnuts to the Board.

Present § 984.74, "Reports of interdistrict shipments of walnuts" should be retitled, "Reports of intraproduction area shipments of walnuts". In the provisions, the words "State of California" and "States of Oregon and Washington" should be substituted in lieu of "District 1" and "District 2", respectively. This recommended revision would be consistent with the deletion of the district designation in § 984.4 discussed in Material Issue (1).

In the notice of hearing the words "interarea" were used in lieu of "interdistrict". However, the record indicates that the words "intraproduction area" would be more appropriate especially since the terms Area 1 and Area 2 were not supported at the hearing.

Section 984.76 should provide that upon request of the Board, with the approval of the Secretary, each handler should furnish such other reports and information as are needed to enable the Board to perform its duties and exercise its powers under this subpart.

In the notice of hearing, the provisions requiring approval by the Secretary of other needed reports and information were omitted. The record indicates that any other reports which are requested by the Board from handlers should be expressly provided for through rule making procedures and approval of the Secretary. Hence, the requirement for approval of the Secretary should be added to the provisions. The provisions included in the notice of hearing indicated that the purpose of such reports would enable the Board to perform its functions under the order. It would be more appropriate to indicate that the purpose of such reports would enable the Board to perform its duties and exercise its powers under the order.

In the notice of hearing, proposed § 984.76 provided for handler reports of receipts from growers. Reports of receipts from growers have been submitted to the Board by handlers on a voluntary basis. Under the changes recommended such reports are especially needed by the Board to check handler compliance under the new holding requirements. Therefore, these provisions should be specifically included in a revised § 984.73.

(16) Some of the amendatory actions herein cause the need to make certain conforming changes, as hereinafter set forth, in the provisions of the order, so that the order, as amended, will be in conformity with those actions. Such changes are discussed herein with the issues to which pertinent. All such changes should be incorporated herein.

Ruling on proposed findings and conclusions. The period during which interested persons might file briefs with the Hearing Clerk of the Department with respect to testimony presented at the hearing and the findings and conclusions to be drawn therefrom expired on March 1, 1974. No such briefs were filed.

General findings. (1) The findings hereinafter set forth are supplementary, and in addition, to the previous findings and determinations which were made in connection with the issuance of the marketing agreement and order and each previously issued amendment thereto. Except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein, all of said prior findings and determinations are hereby ratified and affirmed. (For prior findings and determinations see 13 FR 4344; 19 FR 4214; 20 FR 5387; 22 FR 7885; 22 FR 8775; 27 FR 9094);

(2) The marketing agreement and order, as amended, and as hereby proposed to be further amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the act;

(3) The marketing agreement and order, as amended, and as hereby proposed to be further amended, regulates the handling of walnuts grown in California, Oregon and Washington, in the same manner as, and are applicable only to persons in the respective classes of industrial or commercial activity specified in the marketing agreement and order upon which hearings have been held;

(4) The marketing agreement and order, as amended, and as hereby proposed to be further amended, are limited in application to the smallest regional production area which is practicable, consistently with carrying out the declared policy of the act, and the issuance of several orders applicable to subdivisions of the production area would not effectively carry out the declared policy of the act;

(5) The marketing agreement and order, as amended, and as hereby proposed to be further amended, prescribes, so far as is practicable, such different terms applicable to different parts of the production area as are necessary to give due recognition to differences in the production and marketing of the walnuts covered thereby; and

(6) All handling of walnuts produced in the designated area of production is in the current of interstate or foreign commerce, or directly burdens, obstructs, or affects such commerce.

Recommended amendment of the order. The following amendment of the order is recommended as the detailed and appropriate means by which the foregoing conclusions may be carried out:

1. Revise § 984.4 to read:

§ 984.4 Area of production.

"Area of production" means the States of California, Oregon and Washington.

2. Revise § 984.6 to read:

§ 984.6 Board.

"Board" means the Walnut Marketing Board established pursuant to § 984.35.

3. Revise paragraph (a) of § 984.11 to read:

§ 984.11 Merchantable walnuts.

(a) *Inshell.* "Merchantable inshell walnuts" means all inshell walnuts meeting the minimum grade and size regulations effective pursuant to § 984.50.

* * * * *

4. Revise § 984.13 to read:

§ 984.13 To handle.

"To handle" means to sell, consign, transport, or ship (except as a common or contract carrier of walnuts owned by another person), or in any other way to put walnuts, inshell or shelled, in the current of commerce either within the area of production or from such area to any point outside thereof, or for a manufacturer or retailer within the area of production to purchase directly from a grower: Except, that the term "to handle" shall not include (a) sales and deliveries within the area of production by growers to handlers, or (b) the authorized disposition of surplus or substandard walnuts.

5. Revise § 984.14 to read:

§ 984.14 Handler.

"Handler" means any person who handles inshell or shelled walnuts, categorized as either:

(a) "Cooperative handler" meaning any handler who is a cooperative marketing association of growers; or

(b) "Independent handler" meaning any handler who is not a cooperative marketing association of growers.

6. Revise § 984.15 to read:

§ 984.15 Pack.

"Pack" means to bleach, clean, grade, or otherwise prepare walnuts for market as inshell walnuts.

§§ 984.16, 984.17 and 984.18 [Deleted]

7. Delete §§ 984.16, 984.17, and 984.18.

8. Revise § 984.20 to read:

§ 984.20 Kernelweight.

"Kernelweight" means the determined weight of the kernels in a quantity of walnuts regardless of their quality.

9. Revise § 984.21 to read:

§ 984.21 Handler carryover.

"Handler carryover" as of any date means all the merchantable walnuts (except those held in satisfaction of a surplus obligation) wherever located, then held by a handler or for his account (whether or not sold), plus (a) the estimated quantity of merchantable inshell walnuts in lots then held by that handler for packing as merchantable inshell walnuts, and (b) the estimated quantity of merchantable shelled walnuts to be produced from shelling stock and unsorted material then held by that handler.

§ 984.22 [Amended]

10. Revise § 984.22 by deleting paragraph (c).

11. Revise § 984.23 to read:

§ 984.23 Free walnuts.

"Free walnuts" means walnuts which are included in the free percentage established by the Secretary pursuant to § 984.49.

§§ 984.24 and 984.25 [Deleted]

12. Delete §§ 984.24 and 984.25.

13. Revise § 984.26 to read:

§ 984.26 Surplus walnuts.

"Surplus walnuts" means those walnuts which are held to meet a surplus obligation.

§§ 984.27, 984.28, 984.29 and 984.30 [Deleted].

14. Delete §§ 984.27, 984.28, 984.29, and 984.30.

15. Add a new § 984.32 to read:

§ 984.32 Withholding factor.

"Withholding factor" means the quotient, expressed as a percentage rounded to the nearest one-tenth, resulting from dividing the surplus percentage by the free percentage and established by the Secretary pursuant to § 984.49.

16. Add a new § 984.33 to read:

§ 984.33 Hold.

"Hold" means to maintain possession or keep control of, in proper storage, at all times, the quantity of walnuts necessary to meet a surplus obligation.

17. Revise § 984.35 to read:

§ 984.35 Walnut Marketing Board.

(a) A Walnut Marketing Board is hereby established consisting of ten members and one nonvoting delegate, selected by the Secretary, each of whom shall have an alternate nominated and selected in the same way and with the same qualifications as the member or the nonvoting delegate. The members and nonvoting delegate and their alternates shall be selected by the Secretary from nominees submitted by each of the following groups or from other eligible persons belonging to such groups:

(1) Two members to represent cooperative handlers in California;

(2) Two members to represent independent handlers in California;

(3) Two members to represent growers who market their walnuts through cooperative handlers in California;

(4) One member to represent growers who market their walnuts through cooperative handlers or independent handlers in California whichever category of such handlers handled more than 50 percent of the walnuts handled by all handlers during the two marketing years preceding the year in which nominations were made—the member representing growers who market their walnuts through independent handlers shall be nominated at large in the State of California;

(5) One member to represent growers from District 1 who market their walnuts through independent handlers in California, and those who market their walnuts through independent or cooperative handlers in Oregon and Washington;

(6) One member to represent growers from District 2 who market their walnuts through independent handlers; and

(7) One nonvoting delegate to represent independent and cooperative handlers whose plants are located in the States of Oregon and Washington.

(b) The tenth member and alternate shall be selected after the selection of the nine voting members from the groups specified in paragraph (a) of this section and after opportunity for such voting members to nominate the tenth member and alternate. The tenth member and his alternate shall be neither a walnut grower nor a handler.

(c) Grower districts:

(1) *District 1.* District 1 encompasses the States of Oregon and Washington and counties in the State of California that lie north of a line drawn on the south boundaries of San Mateo, Alameda, San Joaquin, Calaveras, and Alpine Counties.

(2) *District 2.* District 2 shall consist of all other walnut producing counties in the State of California south of the boundary line set forth in subparagraph (1) of this paragraph.

(3) The Secretary on the basis of a recommendation of the Board or other information may establish different districts within the area of production.

18. Revise § 984.36 to read:

§ 984.36 Term of Office.

The term of office of Board members, nonvoting delegates, and their alternates shall be for a period of two years ending on June 30 of odd-numbered years, but they shall serve until their respective successors are selected and have qualified.

19. Revise § 984.37 to read:

§ 984.37 Nominations.

(a) Nominations on behalf of growers who market their walnuts through cooperative handlers in California shall be submitted on a ballot cast by each such handler for its growers. The vote of each such cooperative handler shall be weighted by the quantity of the kernelweight of the merchantable walnuts handled during the preceding marketing year by each such handler. The person receiving the highest number of votes for the cooperative grower position shall be the nominee.

(b) Nominations on behalf of independent growers in Group 4, whenever such group represents independent growers and Groups 5 and 6, shall be submitted after ballot by such growers pursuant to an announcement by press releases of the Board to the news media in the walnut producing areas. Such releases shall provide pertinent voting information, including the names of candidates and the location where ballots may be obtained. Ballots shall be accompanied by full instructions as to their markings and mailing and shall include the names of incumbents who are willing to continue serving on the Board and such other candidates as may be proposed pursuant to methods established by the Board with the approval of the Secretary. Each grower in Group 4, whenever such group represents independent growers, and Groups 5 and 6, regardless of the number and location of his walnut orchard(s) shall be entitled to cast only one ballot in the nomination and each vote shall be given equal

weight. If the independent grower has orchard(s) in both grower districts he shall advise the Board of the district in which he desires to vote. The person receiving the highest number of votes for an independent grower position shall be the nominee.

(c) Nominations for all handler members and the nonvoting delegate shall be submitted on ballots mailed by the Board to all handlers in their respective groups. All handlers' votes shall be weighted by the quantity of the kernelweight of merchantable walnuts handled by each handler during the preceding marketing year. Each independent handler in California may vote for the independent handler member nominees and their alternates. However, no independent handler shall have more than one person on the Board either as member or alternate member. The person receiving the highest number of votes for an independent and cooperative handler member position shall be the nominee for that position.

(d) The nine voting members shall nominate one person as member and one person as alternate for the tenth member position. The tenth member and alternate shall be nominated by not less than 6 votes cast by the nine voting members of the Board.

(e) Nominations in the foregoing manner received by the Board shall be reported to the Secretary on or before June 15 of each odd-numbered year, together with a certified summary of the results of the nominations. If the Board fails to report nominations to the Secretary in the manner herein specified by June 15 of each odd-numbered year, the Secretary may select the members without nomination. If nominations for the tenth member are not submitted by August 1 of any such year, the Secretary may select such member without nomination.

(f) The Board, with the approval of the Secretary, may change these nomination procedures should the Board determine that a revision is necessary.

(g) To provide a transition from the membership of the Walnut Control Board to the membership of the Walnut Marketing Board, the members of the Walnut Control Board serving on the effective date of this subpart shall, subject to the limitations described in § 984.38, continue serving on the Walnut Marketing Board until their terms expire June 30, 1975, and the new membership has been selected and qualified. The new grower and handler members and nonvoting delegate shall be nominated, reported to the Secretary by June 15, 1975, and selected by the Secretary to serve on the Walnut Marketing Board for the term of office beginning July 1, 1975.

20. Revise § 984.38 to read:

§ 984.38 Eligibility.

No person shall be selected or continue to serve as a member, nonvoting delegate, or alternate, to represent one of the groups specified in § 984.35(a) (1) through (7), unless he is engaged in the business he is to represent, or represents, either in his own behalf or as an officer or employee of the business unit engaged in such business. Also, each member or alternate member representing growers in District 1 or District 2 shall be a grower, or officer or employee of the group in the district he is to represent.

21. Revise § 984.39 to read:

§ 984.39 Qualify by acceptance.

Each person selected by the Secretary as a member, nonvoting delegate, or alternate of the Board shall, prior to serving, qualify by filing with the Secretary a written acceptance as soon as practical after being notified of such selection.

22. Revise § 984.40(a) to read:

§ 984.40 Alternate.

(a) An alternate for a member or an alternate for the nonvoting delegate of the Board shall act in the place and stead of such member or nonvoting delegate as the case may be in his absence or in the event of his death, removal, resignation, or disqualification, until a successor for his unexpired term has been selected and has qualified.

* * * * *

23. Revise § 984.41 to read:

§ 984.41 Vacancy.

Any vacancy occasioned by the removal, resignation, disqualification, or death of any member, nonvoting delegate, or alternate, or any need to select a successor through failure of any person selected as a member, nonvoting delegate or alternate to qualify, shall be recognized by the Board causing a nomination to be made by the appropriate group and certifying to the Secretary a new nominee within 60 calendar days.

24. Revise § 984.42 to read:

§ 984.42 Expenses.

The members, nonvoting delegate and their alternates of the Board shall serve without compensation, but shall be allowed their necessary expenses.

25. Revise paragraph (c) of § 984.45 to read:

§ 984.45 Procedure.

* * * * *

(c) The Board may vote by mail or telegram upon due notice to all members. When any proposition is to be voted on by either of these methods, one dissenting vote shall prevent its adoption. The Board, with the approval of the Secretary, shall prescribe the minimum number of votes which must be cast when voting is by either of these methods, and any other procedures necessary to carry out the objectives of this paragraph.

26. Revise § 984.46 to read:

§ 984.46 Research and development.

The Board, with the approval of the Secretary, may establish or provide for the establishment of production research, marketing research and development projects, designed to assist, improve, or promote the marketing, distribution, and consumption or efficient production of walnuts. The expenses of such projects shall be paid from funds collected pursuant to § 984.69.

27. Revise § 984.48 to read:

§ 984.48 Marketing estimates and recommendations.

(a) Each marketing year the Board shall hold a meeting, prior to September 20, for the purpose of recommending to the Secretary a marketing policy for such year. Each year such recommendation shall be adopted by the affirmative vote of at least six members of the Board and shall include the following, and where applicable, on a kernelweight basis:

(1) Its estimate of the orchard-run production in the area of production for the marketing year;

(2) Its estimate of the handler carryover on August 1 of inshell and shelled walnuts;

(3) Its estimate of the merchantable and substandard walnuts in the production;

(4) Its estimate of the trade demand for such marketing year for shelled and inshell walnuts, taking into consideration trade carryover, imports, prices, competing nut supplies, and other factors;

(5) Its recommendation for desirable handler carryover of inshell and shelled walnuts on July 31 of such marketing year;

(6) Its recommendation as to the free and surplus percentages to be fixed for walnuts produced in California and Oregon and Washington, but the surplus percentage recommended for walnuts produced in Oregon and Washington shall be one-half of the surplus percentage in California;

(7) Its opinion as to whether grower prices are likely to exceed parity; and

(8) Its recommendation for change, if any, in grade and size regulations.

28. Revise § 984.49 to read:

§ 984.49 Volume regulation.

(a) *Free and surplus percentages.* Whenever the Secretary finds on the basis of the Board's recommendations or other information that limiting the quantity of walnuts which may be handled during a marketing year would tend to effectuate the declared policy of the act, he shall establish for California a free percentage to prescribe the portion of such walnuts which may be handled in normal markets and a surplus percentage to prescribe the portion that must be withheld from such handling, and similarly for Oregon and Washington except that the surplus percentage shall be one-half that of California.

(b) *Establishment of withholding factors.* The Secretary shall establish withholding factors for California, Oregon and Washington when surplus percentages of other than zero are established.

(c) *Revision of percentages and withholding factors.* Prior to February 15 of the marketing year the Board may recommend that the free percentage be increased, the surplus percentages be decreased, and the withholding factors modified. On the basis of the Board's recommendation or other information the

Secretary may establish such revisions and modifications. Upon revision, all surplus obligations theretofore accrued on walnuts handled or declared for handling during such year on the basis of previously effective percentages shall be adjusted accordingly.

§ 984.50 [Amended]

29. Revise paragraph (a) of § 984.50 by deleting "U.S. No. 3" in the first sentence and substituting "U.S. No. 2" in lieu thereof.

30. Revise paragraph (d) of § 984.50 to read:

* * * * *

(d) *Additional grade and size regulation.* The Board may recommend to the Secretary additional grade and size regulations in the form of more restrictive minimum standards than those specified in this section. If the Secretary finds on the basis of such recommendation or other information that such additional grade and size regulations would tend to effectuate the declared policy of the act, he shall establish such regulation.

* * * * *

31. Revise § 984.51 to read:

§ 984.51 Inspection and certification of inshell and shelled walnuts.

(a) Before or upon handling any walnuts or disposing of any surplus walnuts each handler at his own expense shall cause such walnuts to be inspected to determine whether they meet the then applicable grade and size regulations. Such inspections shall be performed by the inspection service designated by the Board with the approval of the Secretary. Handlers shall obtain a certificate for each inspection and cause a copy of each certificate issued by the inspection service to be furnished to the Board. Each certificate shall show the identity of the handler, quantity of walnuts, the date of inspection, and for inshell walnuts the grade and size of such walnuts set forth in the United States Standards for Walnuts (Juglans regia) in the Shell. Certificates covering surplus shelled walnuts for export shall also show the grade, size, and color of such walnuts as set forth in the United States Standards for Shelled Walnuts (Juglans regia). The Board may prescribe such additional information to be shown on the inspection certificates as it deems necessary for the proper administration of this part.

(b) Merchantable inshell walnuts kernelweight. The weight of merchantable walnuts handled or disposed of as surplus shall be converted to the kernelweight equivalent at 45 percent of their inshell weight. This conversion percentage may be changed by the Board with the approval of the Secretary.

(c) Upon inspection, all merchantable and surplus walnuts shall be identified by seals, stamps, or other means of identification prescribed by the Board and affixed to the container by the handler under the supervision of the Board or of a designated inspector and such identification shall not be altered or removed except as directed by the Board. The Board may, with the approval of the Secretary, establish such other requirements as may be necessary to insure adequate identification of such merchantable and surplus walnuts.

(d) Whenever the Board determines that the length of time in storage or conditions of storage of any lot of merchantable walnuts which has been previously inspected have been or are such as normally to cause deterioration, such lot of walnuts shall be reinspected at the handler's expense and recertified as merchantable prior to shipment.

32. Revise the center heading "Controlled Walnuts" to "Surplus Walnuts" and revise § 984.54 to read:

SURPLUS WALNUTS

§ 984.54 Establishment of obligation.

(a) *Surplus obligation.* Whenever free and surplus percentages are in effect for a marketing year, each handler shall withholding factor to the quantity of walnuts equal to the application of the wtihholding factor to the quantity of kernelweight handled or declared for handling. The quantity of walnuts hereby required to be withheld from handling shall constitute, and may be referred to as, the "surplus obligation" of a handler. The walnuts handled as free walnuts by any handler in accordance with the provisions of the part shall be deemed to be that handler's quota fixed by the Secretary within the meaning of section 8(a)(5) of the act.

(b) *Holding requirements.* Each handler shall at all times hold in his possession or under his control in proper storage the quantity of walnuts necessary to meet his surplus obligation less: (1) Any quantity which was disposed of by him pursuant to § 984.56; and (2) any quantity for which he is otherwise relieved by the Board of responsibility to so hold walnuts.

§ 984.55 [Deleted]

33. Delete § 984.55.

34. Revise § 984.56 to read:

§ 984.56 Disposition of surplus walnuts.

(a) *Crediting.* The kernelweight of surplus walnuts disposed of in accordance with this section shall be credited against the applicable handler's surplus obligation established pursuant to § 984.54.

(b) *Board through agents.* Sale or shipment of merchantable surplus walnuts (1) in export to destinations outside of the United States, Puerto Rico, and the Canal Zone, (2) to Government agencies, or (3) to charitable institutions shall be made only by the Board. The Board shall be obligated to dispose of only such quantities for which it is able to find satisfactory outlets. Any handler may be designated an agent of the Board under such terms and conditions as the Board may specify for such sales or shipments. The Board, with the approval of the Secretary, may designate other outlets which are noncompetitive with normal market outlets for walnuts. The kernelweight of merchantable surplus walnuts disposed of in accordance with this paragraph shall be credited against the applicable handler's surplus obligation: *Provided,* That the disposition "intention" is filed with the Board by August 31 of the succeeding marketing year and shipment from the area of production is completed by the following September 15. Donations of surplus walnuts in the foregoing outlets by handlers as agents of the Board shall also be credited against the applicable handler's surplus obligation. Surplus dispositions shall be made with proper safeguards to prevent such walnuts from thereafter entering the channels of trade in normal markets.

(c) *Pooling during the marketing year.* Surplus walnuts which are accepted for pooling by the Board during the marketing year and disposed of by the Board in eligible surplus pool outlets, shall be credited against the applicable handler's surplus obligation. The Board shall not accept delivery of any surplus walnuts for pooling and disposition prior to making a determination on or before December 15 of any marketing year as to the percentage of a handler's surplus obligation which may be accepted for pooling and disposition prior to February 15 of such year. Pooled walnuts shall be disposed of by the Board upon the best terms and best prices obtainable consistent with the ultimate complete disposition of surplus, subject to the following condition: No surplus walnuts shall be sold in the United States, Puerto Rico, and the Canal Zone, other than to Government agencies or to charitable institutions for charitable purposes or for diversion into walnut oil, poultry or animal feed, or such other uses as the Board finds to be noncompetitive with normal markets and with proper safeguards in each case to prevent such walnuts thereafter entering the channels of trade in such normal markets. The Board may rent and operate or arrange the use of facilities for storage and disposition of surplus walnuts delivered to it.

(d) *Disposition after August 31.* Any surplus walnuts remaining unsold as of August 31, or for which a handler is not relieved by the Board of the responsibility to hold shall be pooled and disposed of by the Board as soon as practicable through the most readily available surplus outlets. Upon demand of the Board, surplus walnuts shall be delivered to the Board f.o.b. handler's warehouse or point of storage, except that the Board shall not make such demand upon a handler with respect to surplus walnuts for which the handler has agreed to undertake disposition pursuant to Board authority.

(e) *Expenses.* Expenses incurred by the Board in receiving, holding, and disposing of pooled surplus walnuts shall be charged against the proceeds of the sales of such surplus walnuts.

(f) *Distribution of proceeds.* Remaining proceeds from the disposition of pooled surplus walnuts shall be distributed pro rata by the Board to each handler in proportion to his contribution

thereto, measured in kernelweight, or such other basis as the Board may adopt with the approval of the Secretary.

35. Add a new § 948.57 to read:

§ 984.57 Declaration of privilege.

Any handler may at any time prior to the end of the marketing year satisfy his surplus obligation with respect to a specified quantity of merchantable walnuts which it then owns and has on hand and on which it declares to the Board its intention to handle, by holding a quantity of walnuts sufficient to meet the surplus obligation on the walnuts so declared for handling.

36. Add a new § 984.58 to read:

§ 984.58 Excess surplus credits.

(a) *Transfer of credits.* At any time during a marketing year, upon a handler's written request, the Board shall transfer part or all of the handler's credit for disposition of surplus walnuts in excess of his surplus obligation to any handler designated by the requesting handler. Any such excess surplus credit not transferred by August 1 shall be transferred by the Board upon the handler's written request so long as the Board receives the request no later than September 15. The credit shall be applied to the transferee handler's surplus obligation of the marketing year just ended.

(b) *Post marketing year credits.* Credit earned by a handler from the disposition of surplus walnuts during the period August 1 to September 15 may be (1) applied to the handler's surplus obligation of the preceding marketing year, (2) applied to the handler's surplus obligation during the current marketing year, or (3) transferred to another handler as provided in paragraph (a) of this section and applied to that handler's surplus obligation during the current marketing year.

37. Add a new § 984.59 to read:

§ 984.59 Interhandler transfers.

(a) Within the area of production inshell walnuts may be sold or delivered by one handler to another for packing or shelling and the receiving handler shall comply with the regulations made effective pursuant to this part with respect to such walnuts.

(b) A handler may, for the purpose of meeting his surplus obligation, acquire walnuts from another handler, and any assessments, surplus obligation, and inspection requirements with respect to walnuts so transferred, shall be waived insofar as the seller is concerned. The Board, with the approval of the Secretary, may establish methods and procedures including necessary reports for such transfers.

(c) Except as provided in paragraphs (a) and (b) of this section, whenever transfers of walnuts are made from one handler to another, the first handler thereof shall comply with all of the regulations effective pursuant to this part.

§§ 984.60–984.63 [Deleted]

38. Delete the center heading "Disposition of Controlled Walnuts", and §§ 984.60, 984.61, 984.62, and 984.63.

39. Revise § 984.66 to read:

§ 984.66 Assistance of Board in meeting surplus obligation.

The Board, on written request, may assist any handler in accounting for his surplus obligation and may aid any handler in acquiring walnuts to meet any deficiency in a handler's surplus obligation, or in accounting for and disposing of surplus walnuts.

§ 984.67 [Amended]

40. Revise paragraph (a) of § 984.67 by substituting "regulation" in lieu of "regulations" and "Surplus" in lieu of "Control".

41. Revise § 984.71 to read:

§ 984.71 Reports of handler carryover.

Each handler shall submit to the Board in such form and on such dates as the Board may prescribe, reports showing his carryover of inshell and shelled walnuts.

42. Revise § 984.73 to read:

§ 984.73 Reports of walnut receipts.

Each handler shall file such reports of his walnut receipts from growers in such form and at such times as may be requested by the Board.

43. Revise § 984.74 to read:

§ 984.74 Reports of intraproduction area shipments of walnuts.

Any shipment of walnuts between the States of California, Oregon, and Washington for sale or delivery to a handler shall be reported to the Board by the receiving handler, upon receipt, on forms prescribed by the Board, showing the net weight of each shipment and such other information pertinent thereto as the Board may specify.

44. Revise § 984.76 to read:

§ 984.76 Other reports.

Upon request of the Board made with the approval of the Secretary each handler shall furnish such other reports and information as are needed to enable the Board to perform its duties and exercise its powers under this subpart.

45. Revise § 984.84 to read:

§ 984.84 Personal liability.

No member, nonvoting delegate, or alternate of the Board, nor any employee or agent thereof shall be held personally responsible either individually or jointly with others, in any way whatsoever, to any handler or any person for errors in judgment, mistakes, or other acts either of commission or omission, as such member, nonvoting delegate, alternate, employee or agent, except for acts of dishonesty.

Dated: May 29, 1974.

JOHN C. BLUM,
Associate Administrator.

[FR Doc.74–12668 Filed 5–31–74;8:45 am]

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

[50 CFR Part 216]

AUTHENTIC NATIVE ARTICLES OF HANDICRAFT AND CLOTHING

Proposed List

On January 15, 1974, the Director, National Marine Fisheries Service, published in the FEDERAL REGISTER (39 FR 1851), Regulations Governing the Taking and Importation of Marine Mammals. Mention was made, at that time, of an intention to publish a list of those items which were thought to qualify as authentic native articles of handicraft and clothing within the meaning of § 216.23.

There is set out hereafter, a proposed list of such articles. Incorporation of this list as part of the regulations will necessitate certain changes in existing § 216.23. Accordingly, it is further proposed that this section be amended as hereinafter set out.

Written comments on, or objections to, these proposed changes may be made to the Director, National Marine Fisheries Service, Washington, D.C. 20235, until the close of business on July 3, 1974.

JACK W. GEHRINGER,
Acting Director, National Marine Fisheries Service.

Add new paragraph (e) and (f) of § 216.23 to read as follows:

§ 216.23 Native exceptions.

* * * * *

(e) The list of authentic native articles of handicraft and clothing, which appears in § 216.23(f), may be revised from time to time as additional information becomes available, which shows to the Secretary's satisfaction that an item should be added to, or removed from the list.

(1) Any interested person may, at any time, submit a request to the Director, National Marine Fisheries Service, for the purpose of adding to, or deleting from, the list.

(2) In order to be considered, all requests must show the following:

(i) The name and address of the person making the request.

(ii) A complete identification of the article or articles named in the request.

(iii) A statement in support of the action requested on the article or articles.

(iv) Some justification or documentation of the statement required in subdivision (iii) of this subparagraph.

(f) Authentic native articles of handicraft and clothing made from marine mammal parts are designated as those items which are the same or similar to such articles of handicraft and clothing being manufactured on or before December 21, 1972, and include, but are not limited to the following:

1. WHALE PRODUCTS

(i) Baleen:

HANDICRAFT

(a) Fronds (cleaned and polished).
(b) Models (sleds, boats, snowshoes, etc.).
(c) Tools, implements and equipment (fishing lines, harpoon lines, wolf scarers, ice skimmers, boxes, dishes, cups, etc.).
(d) Games.
(e) Decorations (used in conjunction with ivory, wood, bone or skin handicrafts).
(f) Baskets.
(g) Jewelry.
(h) Etchings.

(ii) Bone:

(a) Carvings (masks, animals, etc.).
(b) Tools, implements and equipment.
(c) Decorations (cleaned and polished).
(d) Ear bones (cleaned and polished).
(e) Furniture and building material.

(iii) Teeth (Ivory):

(a) Carvings (animals, figurines, bookmarkers, zipper pulls, etc.).
(b) Jewelry (beads, bracelets, necklaces, cuff links, etc.).
(c) Etchings.
(d) Decorations.
(e) Culinary and implement handles and items (pen holders, napkin rings, scarf rings, powder horns, pistol grips, etc.)

(iv) Internal Parts:

(a) Drum heads.
(b) Models (kayaks).
(c) Ceremonial items.
(d) Lacings, lines, gut.
(e) Containers for food storage.
(f) Sewing bags.

2. SEAL PRODUCTS

(i) Skins:

HANDCRAFT

(a) Graphic Art (drawings or paintings on skin).
(b) Models (animals, boats, etc.).
(c) Masks.
(d) Decorations or trim.
(e) Household items (pillows, coasters, pin cushions, bed coverings, etc.).
(f) Bags (hand bags, purses, hunting bags, ammunition bags, etc.).
(g) Toys (dolls, yoyo's, balls, etc.).

CLOTHING

(a) Parkas, coats, shirts.
(b) Vests.
(c) Decoration or trim.
(d) Gloves and mittens.
(e) Hats.
(f) Moccasins, mukluks, slippers.

(ii) Bone:

(a) Tools, implements and equipment.
(b) Aphrodisiac.
(c) Decorations.
(d) Games.

(iii) Internal Parts:

(a) Rain gear.
(b) Bags.
(c) Floats.
(d) Drum heads.

[FR Doc.74-12596 Filed 5-31-74;8:45 am]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Food and Drug Administration

[21 CFR Part 19]

COTTAGE CHEESE AND COTTAGE CHEESE DRY CURD

Proposal To Amend Label Requirements

In the FEDERAL REGISTER of January 19, 1973 (38 FR 2124), the Commissioner of Food and Drugs promulgated a new § 1.8d (21 CFR 1.8d), establishing a food labeling information panel for all mandatory label information. The order was repromulgated with minor technical modifications in the FEDERAL REGISTER of March 14, 1973 (38 FR 6950). Section 1.8d (c) of the new regulation requires that all information appearing on the information panel (including the ingredient statement) shall appear prominently and conspicuously, but in no case may the letters and/or numbers be less than $\frac{1}{16}$ inch in height unless an alternative method for small packages is established in accordance with the provisions of paragraph (f).

The identity standards for cottage cheese dry curd and cottage cheese require under §§ 19.525(e) and 19.530(e) (21 CFR 19.525(e) and 19.530(e)) that all ingredients in the foods shall be declared on the label as required by the applicable sections of 21 CFR Part 1; and therefore, the requirements of § 1.8d are applicable to these foods. However, the last sentence of § 19.525(e) and the last sentence of § 19.530(e) read as follows: "The declaration of ingredients as set forth in this paragraph shall appear in letters not less than one-half the size of that required by § 1.8b of this chapter for the declaration of net quantity of contents but in no case less than one-sixteenth of an inch."

As this statement is not consistent with the requirements of § 1.8d(c) (which are incorporated in the standards by cross-references), and such requirements are already established to promote honesty and fair dealing in the interest of consumers, the Commissioner proposes that the statements in §§ 19.525(e) and 19.530 (e) be deleted.

Therefore, pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (secs. 401, 701, 52 Stat. 1046, 1055 as amended by 70 Stat. 919 and 72 Stat. 948; (21 U.S.C. 341, 371)) and under authority delegated to the Commissioner (21 CFR 2.120), it is proposed that Part 19 be amended as follows:

1. In § 19.525 by deleting the undesignated paragraph immediately following paragraph (e) (3), as follows:

§ 19.525 Cottage cheese dry curd; identity; label statements of optional ingredients.

* * * * *

(e) The common or usual name of each of the ingredients used in the food shall be declared on the label as required by the applicable sections of Part 1 of this chapter, except that:

(1) Concentrated skim milk, nonfat dry milk, and reconstituted skim milk prepared by addition of water to concentrated skim milk or nonfat dry milk may be declared as "skim milk."

(2) Bacterial cultures may be declared by the word "cultured" followed by the name of the substrate, e.g., "made from cultured skim milk."

(3) Milk-clotting enzymes may be declared by the word "enzymes."

2. In § 19.530 by deleting the undesignated paragraph immediately following paragraph (e) (4), as follows:

§ 19.530 Cottage cheese; identity; label statement of optional ingredients.

* * * * *

(e) The common or usual name of each of the ingredients used in the food shall be declared on the label as required by the applicable sections of Part 1 of this chapter, except that:

(1) Concentrated milk, dried milk, and reconstituted milk prepared by addition of water to concentrated milk or dried milk may be declared as "milk."

(2) Concentrated skim milk, nonfat dry milk, and reconstituted skim milk prepared by addition of water to concentrated skim milk or nonfat dry milk may be declared as "skim milk."

(3) Bacterial cultures may be declared by the word "cultured" followed by the name of the substrate, e.g., "made from cultured skim milk."

(4) Milk-clotting enzymes may be declared by the word "enzymes."

Interested persons may, on or before July 3, 1974, file written comments (preferably in quintuplicate) with the Hearing Clerk, Food and Drug Administration, Room 6-86, 5600 Fishers Lane, Rockville, MD 20852, regarding this proposal. Comments may be accompanied by a memorandum or brief in support thereof. Received comments may be seen in the above office during working hours, Monday through Friday.

Dated: May 24, 1974.

SAM D. FINE,
Associate Commissioner for Compliance.

[FR Doc.74-12627 Filed 5-31-74;8:45 am]

Social Security Administration

[20 CFR Part 404]

[Regs. No. 4]

FEDERAL OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE

Benefits in Case of Certain Individuals Interned During World War II

Notice is hereby given, pursuant to the Administrative Procedure Act (5 U.S.C. 553), that the amendment to the regulations set forth in tentative form below is proposed by the Commissioner of Social Security, with the approval of the Secretary of Health, Education, and Welfare. The proposed amendment implements section 142 of Pub. L. 92-603 which was enacted October 30, 1972. That provision was designed to give relief to individuals who were interned in

the U.S. during World War II in a government facility for the confinement of Americans of Japanese ancestry. The relief given is the gratuitous grant of wage credits these internees would likely have obtained if their internment had not prevented them from working. The amount of the wage credits granted are to be determined on the basis of the then prevailing minimum wage or the worker's pre-internment earnings, whichever is the larger.

Consideration will be given to any data, views, or arguments pertaining thereto which are submitted in writing in triplicate to the Commissioner of Social Security, Department of Health, Education, and Welfare Building, Fourth and Independence Avenue SW., Washington, D.C. 20201, on or before July 3, 1974. The regulation will be effective upon final publication in the FEDERAL REGISTER.

Copies of all comments received in response to this notice will be available for public inspection during regular business hours at the Washington Inquiries Section, Office of Public Affairs, Social Security Administration, Department of Health, Education, and Welfare, North Building, Room 4146, 330 Independence Avenue SW., Washington, D.C. 20201.

The proposed regulation is to be issued under the authority of sections 205, 231, and 1102 of the Social Security Act, as amended, 53 Stat. 1368, as amended, 86 Stat. 1367, 49 Stat. 647, as amended; 42 U.S.C. 405, 431, and 1302.

(Catalog of Federal Domestic Assistance Program No. 13.803, Social Security—Retirement Insurance.)

Dated: May 9, 1974.

J. B. CARDWELL,
Commissioner of Social Security.

Approved: May 28, 1974.

CASPAR W. WEINBERGER,
Secretary of Health, Education, and Welfare.

Subpart K, Regulations No. 4 of the Social Security Administration, as amended (20 CFR Part 404), is further amended as follows:

Section 404.1028 is added to read as follows:

§ 404.1028 Deemed wages for certain individuals interned during World War II.

(a) *In general.* Except as provided in paragraph (d) of this section, an individual who was interned during any period of time from December 7, 1941, through December 31, 1946, at a place within the United States operated by the Government of the United States for the internment of United States citizens of Japanese ancestry, is deemed to have been paid wages (in addition to the wages actually paid) as provided in paragraph (c) of this section during any period after he attained age 18 in which he was an internee. This provision is effective for determining entitlement to and the amount of any monthly benefit for months after December 1972, for determining entitlement to and the amount of any lump-sum death payment in the case of a death after such month, and for purposes of section 216(i)(3) of the Act, as amended.

(b) *Information needed to process deemed wages.* Unless the Secretary has previously made a determination concerning deemed wages for a period of internment of an individual, any person, including such individual, applying for a monthly benefit, a recalculation of such benefits by reason of this section, or a lump-sum death payment, must submit the following information before such benefit or payment may be computed on the basis of deemed wages under paragraph (a) of this section: The place where the individual worked prior to internment, his highest hourly wage prior to internment, the place and date of his internment, his date of birth (if not previously furnished), whether or not he is receiving another Federal benefit based wholly or in part upon his period of internment, and, in the case of a woman, her maiden name.

(c) *Amount of deemed wages.* The amount of wages which may be deemed under paragraph (a) of this section, in addition to wages actually paid, is determined as follows:

(1) *Where employed prior to internment.* If the individual was employed prior to the beginning of the period of internment, his deemed wages are the greater of:

(i) The highest actual hourly rate of pay received by him for any employment prior to internment multiplied by 40 for each full week during such period; or

(ii) The Federal minimum hourly rate in effect for such period multiplied by 40 for each full week during such period.

(2) *Where self-employed or not employed prior to internment.* If the individual was self-employed or was not employed prior to the beginning of the period of internment, his deemed wages are the Federal minimum hourly rate in effect for such period multiplied by 40 for each full week during such period.

(d) *When wages are not deemed.* Wages are not deemed under paragraph (a) of this section:

(1) For any period prior to the quarter in which the individual attained age 18; or

(2) Where a larger benefit or payment is payable without the deemed wage credits; or

(3) Where a benefit (other than a benefit payable in a lump sum unless it is a commutation of, or a substitute for, periodic payments), based in whole or in part upon internment as specified in paragraph (a) of this section is determined by any agency or wholly-owned instrumentality of the United States to be payable by it under any other law of the United States or under a system established by such agency or instrumentality. However, the foregoing exception to paragraph (a) of this section does not apply for purposes of section 216(i)(3) of the Act and in cases where the failure to receive deemed wages due to such exception would reduce by 50 cents or less the primary insurance amount of the individual on whose wages and self-employment income the benefit or payments is based.

(e) *Certification of internment.* The certification concerning any period of time for which an individual is to receive credit under paragraph (a) of this section is made by the Secretary of Defense or his designee. Following verification of the individual's period of internment by means of such certification, wages, as provided by this section, will be deemed to have been paid to such individual.

[FR Doc.74-12653 Filed 5-31-74;8:45 am]

DEPARTMENT OF TRANSPORTATION

Coast Guard

[33 CFR Part 117]

[CGD 74-137]

CHICAGO RIVER, ILLINOIS

Proposed Drawbridge Operation Regulations

At the request of the Port of Chicago, the Coast Guard is considering amending the regulations for the drawbridges across the Chicago River, and its tributaries. A notice of proposed rulemaking was published in the FEDERAL REGISTER (CGFR 70-63) on March 18, 1971 (36 FR 5245). A new notice of proposed rulemaking has been prepared which includes many provisions of the original proposal and includes new provisions which resolve the objections made to the original proposal. Specifically, the regulations concerning the opening signals have been changed to avoid potential confusion and the provisions for drawbridges which do not open promptly on signal have been broadened to include additional bridges. The Ogden Slip regulations were published as a notice of proposed rulemaking (CGFR 72-16) on February 2, 1972 (37 FR 2522). No objections were received to that proposal. It is included here because it is a part of the Chicago River complex.

Interested persons may participate in this proposed rulemaking by submitting written data, views, or arguments to the Commander, Ninth Coast Guard District (oan), 1240 East 9th Street, Cleveland, Ohio 44199. Each person submitting comments should include his name and address, identify the bridge, and give reasons for any recommended change in the proposal. Copies of all written communications received will be available for examination by interested persons at the office of the Commander, Ninth Coast Guard District.

The Commander, Ninth Coast Guard District, will forward any comments received before July 16, 1974, with his recommendations to the Chief, Office of Marine Environment and Systems, who will evaluate all communications received and take final action on this proposal. The proposed regulations may be changed in the light of comments received.

In consideration of the foregoing, it is proposed that Part 117 of Title 33 of the Code of Federal Regulations, be amended as follows:

§ 117.641 [Amended]

1. By revoking § 117.641(f)(7) and (7–a).

2. By revising § 117.663 to read as follows:

§ 117.663 The Chicago River and its tributaries.

(a) The draws of each of the bridges in this section shall open promptly on signal except as provided in paragraph (e) of this section.

(b) The owners of or agencies controlling each bridge shall provide the necessary drawtenders and the proper operating machinery, maintained in serviceable condition, for the safe opening of the draw.

(c) The owners or agencies controlling each bridge shall conspicuously post and maintain notices both upstream and downstream of each bridge in such a manner that they can easily be read from an approaching vessel. The notices shall contain the special operational regulations applicable to each bridge. When applicable, information as to whom notice should be given when passage through the draw is desired and how such persons may be reached shall be included.

(d) Signals.

(1) Call signals for opening of drawbridges or passing through an open draw shall be three short blasts of a whistle, horn, siren or by shouting for all bridges except the Chicago and Northwestern Railroad bridge near West Kinzie Street and the Chicago, Milwaukee, St. Paul and the Pacific Railroad bridge near West North Avenue for which the signal shall be four short blasts, and the Lake Street bridge when approaching from the north for which the signal shall be five short blasts.

(2) Acknowledging signals to be given by drawtender:

(i) When the draw will be opened immediately. None.

(ii) When the draw cannot open immediately or is open and must be closed immediately. A red flag by day or a red light by night waved until the draw can be opened.

(3) When two or more vessels are approaching a drawbridge at the same time from opposite directions with the draw open or closed, each vessel shall signal independently for the opening of the draw, and the drawtender shall reply to the signal of each vessel if the draw cannot open or is open and must be closed.

(e) Bridges not opening promptly on signal.

(1) Monday through Friday, from 7:30 a.m. to 10 a.m. and 4 p.m. to 6:30 p.m., the draws of the bridges across the Chicago River, South Branch from its junction with the Chicago River south to and including West Roosevelt Road and North Branch at West Kinzie Street and at the Northwest Expressway Feeder bridge need not open for the passage of vessels.

(2) Monday through Friday, from 7 a.m. to 8 a.m. and 5 p.m. to 6 p.m., the draws of the bridges across the North Branch of the Chicago River at Grand Avenue and all bridges north of the Northwest Expressway Feeder bridge to and including North Halsted Street and across the South Branch of the Chicago River south of West Roosevelt Road to and including South Halsted Street need not open for the passage of vessels.

(3) Monday through Friday, from 7 a.m. to 8 a.m. and 5:30 p.m. to 6:30 p.m., the draws of the bridges across the North Branch of the Chicago River north of North Halsted Street and the South Branch of the Chicago River south of South Halsted Street need not open for the passage of vessels.

(4) From January 1 through March 31, the highway bridges across the Chicago River, the North Branch of the Chicago River, North Branch Canal and the South Branch of the Chicago River shall open on signal if at least 12 hours notice is given. However, the Randolph Street, Cermak Road, Throop Street and Loomis Street bridges across the South Branch of the Chicago River, the North Halsted Street bridge across the North Branch Canal and the West Kinzie Street bridge across the North Branch of the Chicago River shall open on signal at all times other than those times provided in subparagraph (1), (2) and (3) of this paragraph.

(5) Constant attendance is not required at following City of Chicago bridges:

(i) *Chicago River, South Branch*

Washington Street
Madison Street
Monroe Street
Adams Street
Jackson Boulevard
Van Buren Street
Congress Street (Eisenhower Expressway)
Harrison Street
Roosevelt Road
Eighteenth Street
Canal Street
South Halsted Street

(ii) *West Fork of the South Branch*

South Ashland Avenue
South Damen Avenue

(iii) *Chicago River, North Branch*

Grand Avenue
Chicago Avenue
North Halsted Street
Ogden Avenue
Division Street

(iv) *North Branch Canal*

Ogden Avenue
Division Street

Roving drawtenders shall open these bridges not more than 30 minutes after notification to the Port Director's Office or an authorized representative.

(6) The draw of the Chicago and Northwestern Railroad bridge across the North Branch of the Chicago River at mile 5.06 shall open on signal if at least 2 hours notice is given. However, the draw need not open for the passage of vessels Monday through Friday from 7 a.m. to 8 a.m. and 5:30 p.m. to 6:30 p.m.

(7) The draw of the Chicago, Milwaukee, St. Paul and Pacific Railroad bridge across the North Branch Canal shall open on signal if at least 1 hour's notice is given.

(8) The draws of bridges that have a vertical clearance of less than 17' above Low Water Datum for Lake Michigan shall open at any time to permit the passage of tugs and tugboats.

(f) The draws of any of the bridges listed in this section shall be opened as soon as possible for the passage of emergency vessels of the City of Chicago or public vessels of the United States notwithstanding any exceptions set forth elsewhere in this section.

(g) The draw of the Lake Shore Drive bridge across Ogden Slip need not open for the passage of vessels. The operating machinery need not be maintained.

(h) The draws of the North Avenue, Cortland Street, Webster Avenue, North Ashland Avenue, Chicago and Northwestern Railroad, North Damen Avenue, and Belmont Avenue bridges across the North Branch of the Chicago River need not open for the passage of vessels. However, the draws shall be returned to an operable condition within 6 months after notification from the Commandant to take such action.

(Sec. 5, 28 Stat. 362, as amended, sec. 6(g)(2), 80 Stat. 937; (33 U.S.C. 499, 49 U.S.C. 1655 (g)(2); 49 CFR 1.46(c)(5), 33 CFR 1.05–1(c)(4)).

Dated: May 24, 1974.

R. I. PRICE,
Captain, U.S. Coast Guard, Deputy Chief, Office of Marine Environment and Systems, By direction of the Commandant.

[FR Doc.74–12625 Filed 5–31–74;8:45 am]

Federal Aviation Administration

[14 CFR Part 39]

[Airworthiness Docket No. 74–NW–13–AD]

BOEING MODEL 747 SERIES AIRPLANES

Proposed Airworthiness Directives

The Federal Aviation Administration is considering amending Part 39 of the Federal Aviation Regulations by adding an airworthiness directive applicable to Boeing Model 747 series airplanes. The detent pin on the flap control handle has exhibited excessive wearing on the Boeing Model 747 series airplanes. Failure of this pin will result in flap retraction which if unnoticed by the flight crew could result in loss of adequate flight control. Since this condition is likely to exist or develop in other airplanes of the same type design, the proposed airworthiness directive would require repetitive inspections of the flap control handle detent pin on airplanes which have accumulated 2,000 flights or more. Boeing Alert Service Bulletin 747–27–2121 was issued for inspection of the detent pin. This service bulletin presently does not contain preventive modification instructions; however, a forthcoming revision will include such instructions. Interested persons are

invited to participate in the making of the proposed rule by submitting such written data, views or arguments as they may desire. Communications should identify the docket and be submitted in duplicate to the Federal Aviation Administration, Northwest Region, Airworthiness Rules Docket, FAA Building, Boeing Field, Seattle, Washington 98108.

All communications received on or before August 1, 1974, will be considered by the Administrator before taking action upon the proposed rule. The proposals contained in this notice may be changed in the light of comments received. All comments will be available, both before and after the closing date for comments, in the rules docket for examination by interested persons.

In consideration of the foregoing, it is proposed to amend § 39.13 of Part 39 of the Federal Aviation Regulations by adding the following new airworthiness directive:

BOEING: Applies to Boeing Model 747 Series Aircraft Certificated in All Categories With More Than 2,000 Flights

Compliance required as noted:

(A) Within the next 100 flights, unless already accomplished within the last 1,900 flights, determine the thickness of the flap control handle detent pin in accordance with FAA approved Boeing Service Bulletin 747–27–2121. Flap control handle detent pins with more than .070 inch thickness remaining are to be reinspected for remaining thickness at intervals not to exceed 2,000 flights. Handles with pins less than .070 inches thickness remaining are to be replaced with a new flap control handle of the same part number within 1,000 flights. Pins with less than .050 thickness remaining are to be replaced with a new flap control handle of the same part number prior to further flight.

(B) New flap control handles are to have detent pins inspected for remaining thickness in accordance with Paragraph (A) above at intervals not to exceed 2,000 flights.

(C) This directive will be amended to include terminating action when such has been developed.

(D) Upon request of the operator and FAA maintenance inspector, subject to prior approval of the Chief, Engineering and Manufacturing Branch, FAA Northwest Region, may adjust the repetitive inspection intervals specified in this AD to permit compliance at an established inspection period of the operator, if the request contains substantiating data to justify the adjustment period.

This amendment is proposed under the authority of sections 313(a), 601 and 603 of the Federal Aviation Act of 1958 (49 U.S.C. 1354(a), 1421, 1423) and of section 6(c) of the Department of Transportation Act (49 U.S.C. 1655(c)).

Issued in Seattle, Washington on May 24, 1974.

C. B. WALK, Jr.,
Director, Northwest Region.

[FR Doc.74–12587 Filed 5–31–74;8:45 am]

[14 CFR Part 71]

[Airspace Docket No. 74–NW–13]

TRANSITION AREA

Proposed Alteration

The Federal Aviation Administration is considering an amendment to Part 71 of the Federal Aviation Regulations that would alter the description of the Moses Lake, Washington, transition area.

Interested persons may participate in the proposed rulemaking by submitting such written data, views, or arguments as they may desire. Communications should be submitted in triplicate to the Chief, Operations, Procedures and Airspace Branch, Northwest Region, Federal Aviation Administration, FAA Building, Boeing Field, Seattle, Washington 98108. All communications received on or before July 3, 1974, will be considered before action is taken on the proposed amendment. No public hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Administration officials may be made by contacting the Regional Air Traffic Division Chief. Any data, views, or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposal contained in this notice may be changed in the light of comments received.

A public docket will be available for examination by interested persons in the office of the Regional Counsel, Northwest Region, Federal Aviation Administration, FAA Building, Boeing Field, Seattle, Washington, 98108.

A review of the aeronautical procedures in the Moses Lake, Washington, area disclosed that additional 1200′ transition area would permit more effective use of radar vectoring and better sequencing of traffic.

In consideration of the foregoing the FAA proposes the following airspace action:

In § 71.181 (39 FR 440) the description of the Moses Lake, Washington, transition area would be amended to read as follows:

MOSES LAKE, WA

That airspace extending upward from 700 feet above the surface within a 5-mile radius of the Grant County Airport (Latitude 47° 12′29″ N., Longitude 119°19′05″ W.), within 3.5 miles west and 4 miles east of the Moses Lake ILS Localizer south course extending from the 5-mile radius area to 9.5 miles south of the Pelican NDB, within 7 miles southeast and 10 miles northwest of the Ephrata VORTAC 043° and 223° radials extending from 8 miles southwest to 19 miles northeast; that airspace extending upward from 1,200 feet above the surface bounded on the north by a line beginning at Latitude 47°45′00″ N., Longitude 120°00′00″ N., extending eastwardly along Latitude 47°45′00″ N. to intersect the arc of the 52-mile radius circle centered on Fairchild Air Force Base, Washington, (Latitude 47°38′ N., Longitude 117°39′ W.), on the east by the 52-mile radius circle, on the southeast by the northwest edge of V–112W, on the south by V–298, on the west by Longitude 120°00′00″ to point of beginning; that airspace southwest of Moses Lake extending upward from 5,500 feet MSL bounded on the east by Longitude 120° 00′00″ W., on the southeast by the northwest edge of V–448, on the west by the east edge of V–25, and on the north by Latitude 47°00′00″ N.

This amendment is proposed under the authority of section 307(a) of the Federal Aviation Act of 1958, as amended, (49 U.S.C. 1348(a)), and of section 6(c) of the Department of Transportation Act (49 U.S.C. 1655(c)).

Issued in Seattle, Wash., on May 24, 1974.

J. H. TANNER,
Acting Director, Northwest Region.

[FR Doc.74–12588 Filed 5–31–74;8:45 am]

[14 CFR Part 71]

[Airspace Docket No. 74–AL–4]

CONTROL ZONE AND TRANSITION AREA

Proposed Alteration

The Federal Aviation Administration is considering amendments to Part 71 of the Federal Aviation Regulations which would alter the terminal airspace structure at Homer, Alaska.

Interested persons may submit such written data, views, or arguments as they may desire. Communications should be submitted in triplicate to the Chief, Air Traffic Division, Alaskan Region, Federal Aviation Administration, 632 Sixth Avenue, Anchorage, Alaska 99501. All communications received on or before July 3, 1974, will be considered before action is taken on the proposed amendments. No public hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Administration officials may be made by contacting the Chief, Air Traffic Division. Any data, views, or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposal contained in this notice may be changed in the light of comments received.

The official docket will be available for examination by interested persons at the office of the Regional Counsel, Federal Aviation Administration, 632 Sixth Avenue, Anchorage, Alaska.

Application of criteria for U.S. Terminal Instrument Procedures (TERPS) for establishment of terminal controlled airspace, the proposed installation of a LOC/DME approach system and the conversion of the RR to an NDB approach system at Homer, Alaska, require amendments to the Homer, Alaska, control zone and transition area. New coordinates for the Airport Reference Point (ARP) and revised configuration of the transition area to encompass holding pattern airspace are also contained in these proposed amendments.

In consideration of the foregoing, the Federal Aviation Administration proposes to amend Part 71 of the Federal Aviation Regulations as hereinafter set forth.

1. Section 71.171 (39 FR 354), Homer, Alaska, control zone is amended to read:

HOMER, ALASKA

Within a 5-mile radius of the Homer airport (latitude 59°38′43″ N., longitude 151°28′31″ W.); within 2 miles each side of the 266° bearing from the Kachemak NDB extending from the 5-mile radius zone to 4.5

miles W of the NDB; and within 1.5 miles each side of the Homer localizer SW course extending from the 5-mile radius zone to 11 miles SW of the localizer antenna site (latitude 59°39'08" N., longitude 151°27'22" W.). This control zone is effective during the specific dates and times established in advance by a Notice to Airmen. The effective dates and times will thereafter be continuously published in the U.S. Flight Information Publication Supplement Alaska.

2. Section 71.181 (39 FR 440), Homer Alaska, transition area is amended to read:

HOMER, ALASKA

That airspace extending upward from 700 feet above the surface within a 11-mile radius of the Homer localizer antenna site (latitude 59°39'08" N., longitude 151°27'22" W.); and that airspace extending upward from 1,200 feet above the surface within a 30-mile radius of the Homer VORTAC extending from the 209° radial clockwise to the 252° radial.

The action proposed here would alter the Homer, Alaska, control zone by adding a 1.7 mile extension west of Homer to protect the Kachemak NDB instrument approach procedure and a 7.2 mile extension southwest of Homer to protect the proposed LOC/DME instrument approach procedure for runway 03. The 700-foot portion of the transition area would be altered to provide protective airspace to the north and west for holding and for instrument approaches and departures during the hours when the control zone is not effective. The 1,200-foot portion of the transition area is changed to define only that portion of airspace lying between Victor 438W, south of Homer and Victor 436E, west of Homer to provide protected airspace for departures from the Homer airport. The remainder of the description of the 1,200-foot portion has been deleted since the airspace that it described lies within the confines of Federal Airways.

These amendments are proposed under the authority of section 307(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1348(a)) and section 6(c) of the Department of Transportation Act (49 U.S.C. 1655(c)).

Issued in Anchorage, Alaska, on May 23, 1974.

QUENTIN S. TAYLOR,
Acting Director,
Alaskan Region.

[FR Doc.74-12589 Filed 5-31-74;8:45 am]

National Highway Traffic Safety Administration

[49 CFR Parts 567, 571]

[Docket No. 71-19; Notice 2]

NONPASSENGER CAR

Tire and Rim Selection and Rim Requirements

This notice proposes tire and rim selection requirements for multipurpose passenger vehicles, trucks, buses, trailers, and motorcycles and dimension and marking requirements for rims used on those vehicles.

A notice of proposed rulemaking on tire and rim selection and rim performance was published August 3, 1971 (36 FR 14273). Comments to the docket resulted in several modifications to the proposal, which are set forth in this notice.

A new rim dimension requirement has been added to the proposal, requiring that a rim conform to several of the dimensions published for that rim by an industry association or by the manufacturer.

Three previously proposed requirements were deleted. The sudden deflation test was determined to be not practicable for testing rims on wheels of two- and three-piece construction, because the pressure loss could cause the components of the wheel to come apart. The proposed high speed and endurance tests have also been removed. They are undergoing further consideration as parts of a future wheel performance standard.

The previously proposed tire and rim selection criteria would have required vehicles to be equipped with tires that conform to standards 109 or 119 in all cases and have a maximum load rating not less than the gross axle weight rating (GAWR) of the axle system on which they are mounted divided by the number of tires on the axle system.

This proposal accommodates delivery practices in the commercial truck, bus and trailer industry (other than mobile structure trailer delivery) by permitting the use of tires which may not conform to Standard 119 under limited circumstances. A purchaser would be permitted to have used tires owned or leased by him mounted on his vehicle at the factory if those tires had been manufactured to comply with Standard 119 and have a maximum load rating not less than the GAWR divided by the number of tires on the axle system.

The standard also permits the mounting of tires not designed for highway use on trucks and trailers not intended for highway use.

It should be noted that the mobile structure trailer category has not been exempted from Standard 119-level tire selection standards, despite arguments on the grounds of infrequent highway use. The unwieldy nature of mobile structure trailers and the possibility of high speed towing under 100 percent load conditions during their limited travel periods require high strength and endurance characteristics.

This proposal does retain the proposed formula for determination of maximum load rating despite the objections of truck manufacturers who appeared to misunderstand the significance of "Gross Axle Weight Rating" (GAWR). The objections mistakenly assumed that GAWR means the actual weight rating of an axle, and reasoned that such a formula would penalize maufacturers who equipped their vehicles with high-rated axles by forcing them to match that rating with more expensive, stronger tires than were necessary. In actuality, GAWR means "the value specified by the vehicle manufacturer as the load-carrying capacity of a single axle system, as measured at the tire-ground interfaces." (49 CFR 571.3(b)). The manufacturer simply evaluates the ability of each axle system (not the axle alone) to support load and specifies that "load carrying ability" as the Gross Axle Weight Rating. In this evaluation the upper limit on GAWR is the weakest component in the axle system, but there is no lower limit implied by this definition on the GAWR specified by the manufacturer. The GAWR may in fact be delimited by the load rating of the tires themselves, regardless of the fact that other components may individually be considered capable of carrying higher loads.

The formula for tire selection would be subject to one exception. As proposed previously and reproposed here, a 10 percent greater load rating than that determined by the formula would be required when passenger car tires are utilized on other vehicle types. Manufacturers of multipurpose passenger vehicles that compete with station wagons objected to the expense of stronger tires, claiming that the two classes of vehicles essentially operate under the same conditions. The NHTSA does not accept this argument. MPV's, being constructed on truck chassis, may be assumed by their users to be capable of sustaining greater loads than passenger cars.

In order to make the interrelationship of tire choice and GVWR clearer to the vehicle owner and in response to docket comments, the proposed tire information label requirement has been modified. Manufacturers pointed out that dealers often change truck and multipurpose passenger vehicle tires and rims at the purchaser's request, and that the label would thereafter mislead subsequent purchasers of the modified vehicle. The NHTSA has concluded that this practice of tire and rim substitution on nonpassenger cars makes it even more important that the manufacturer state on the vehicle a tire and rim size appropriate for the stated GVWR. As modified, the manufacturer would not have to list the tires with which the vehicle is actually equipped, but rather the tires and rims appropriate for the stated GVWR. In this way, useful information would accompany the vehicle whether or not it is modified. Further information would be available under an option that permits the listing of multiple GVWR-tire-rim combinations.

As proposed, the manufacturer would locate the information on a separate label adjacent to the certification label plate required by Part 567. The close proximity of tire information to the GVWR and GAWR information on the certification label would clarify their relationship without unnecessarily complicating the label plate by the addition of tire, rim, pressure, and speed restriction data. The present option of adding tire information to the certification plate would be permitted only for the relatively simple requirements of passenger cars.

The proposed rim marking requirements have been modified in response to manufacturer suggestions. The previous proposal that the rim manufacturers mark inappropriately matched tire sizes

on their rims has not been repeated because it would evidently have imposed an unreasonable responsibility on them to monitor the generation of inappropriate tire-rim matching data by tire manufacturers.

An additional designation, to be placed on the rim, has been proposed to indicate the source of the published dimensions to which the rim conforms. The design of the designation would be at the manufacturer's discretion; initials (e.g., TRA, ETRTO) would suffice.

The maximum load rating and inflation markings have been abbreviated but not deleted. One manufacturer believed that maximum load and inflation markings could be misunderstood by truck fleet maintenance men as an inflation requirement, preventing tire inflation at lower pressures according to conditions. The NHTSA has concluded that the markings would help the unknowledgeable individual understand the strength limits of rims in the event he wishes to mount different tires on them, and that the benefits of having this information on the rims would outweigh the disadvantages.

This notice proposes rim designation as another new marking requirement. One manufacturer suggested a uniform method of size designation, but adequate justification for doing so was not presented and action will not be undertaken at this time. The manufacturer code requirement anticipates an identification proposal published in the FEDERAL REGISTER on June 7, 1973 (38 FR 14968). The code would not be required until a decision is reached on that proposal.

In the case of multi-piece wheel construction, this notice proposes stamping the manufacture code and the size and type designation on each part of the multi-piece rim. This identification method is used in the industry formulation of wheel part compatibility information.

The proposal has not been expanded to cover wheels as well as rims as suggested by the Budd Company. As noted earlier, one-piece wheels and wheels of two- and three-piece construction are presently the subject of further NHTSA rulemaking activity. Standard 120, however, would only apply to that portion of the wheel which retains inflation pressure.

In consideration of the foregoing, it is proposed that Chapter V of Title 49, Code of Federal Regulations be amended as follows:

1. Part 567 would be amended by inserting the phrase "(For passenger cars only)" at the beginning of §§ 567.4(h) and 567.5(b).

2. In Part 571, a new Standard No. 120, *Tire selection and rims for motor vehicles other than passenger cars* (§ 571.120) would be added, to read as set forth below.

Interested persons are invited to submit comments on the proposal. Comments should refer to the docket number and be submitted to: Docket Section, National Highway Traffic Safety Administration, Room 5108, 400 Seventh Street SW., Washington, D.C. 20590. It is requested but not required that 10 copies be submitted.

All comments received before the close of business on the comment closing date indicated below will be considered, and will be available for examination in the docket at the above address both before and after that date. To the extent possible, comments filed after the closing date will also be considered. However, the rulemaking action may proceed at any time after that date, and comments received after the closing date and too late for consideration in regard to the action will be treated as suggestions for future rulemaking. The NHTSA will continue to file relevant material as it becomes available in the docket after the closing date, and it is recommended that interested persons continue to examine the docket for new material.

Comment closing date: July 18, 1974.

Proposed effective date: September 1, 1975.

(Secs. 103, 112, 113, 114, 119, 201, 202, Pub. L. 89-563, 80 Stat. 718, 15 U.S.C. 1392, 1401, 1402, 1403, 1407, 1421, 1422; delegations of authority at 49 CFR 1.51 and 49 CFR 501.8.)

Issued on May 28, 1974.

ROBERT L. CARTER,
Associate Administrator,
Motor Vehicle Programs.

§ 571.120 Standard No. 120; tire selection and rims for motor vehicles other than passenger cars.

S1. *Scope.* This standard establishes tire and rim selection requirements for motor vehicles and specifies dimension and marking requirements for rims.

S2. *Purpose.* The purpose of this standard is to ensure that motor vehicles are equipped with tires and rims of adequate size and load rating to provide safe operational performance.

S3. *Application.* This standard applies to multipurpose passenger vehicles, trucks, buses, trailers, and motorcycles, and to rims for use on those vehicles.

S4. *Definitions.* All terms defined in the Act and the rules and standards issued under its authority are used as defined therein.

S5. *Requirements.*

S5.1 *Tire and rim selection.*

S5.1.1 Except as specified in S5.1.3, each vehicle equipped with pneumatic tires for highway service shall be equipped with tires that meet the requirements of Standard No. 109 or Standard No. 119 and with rims that meet the requirements of this standard and are designated by both the manufacturer of the tires and the manufacturer of the rims as suitable for use with those tires.

S5.1.2. The maximum load rating of each tire and rim fitted to an axle shall be not less than the gross axle weight rating of the axle system divided by the number of tires on the axle. The maximum load rating of tires listed in Appendix A of Standard No. 109 shall exceed this rating quotient by 10 percent.

S5.1.3 In place of tires that currently meet the requirements of Standard No. 119, a truck, bus, or trailer other than a mobile structure trailer may at the request of the purchaser be equipped at the place of manufacture of the vehicle with used tires owned or leased by the purchaser that were originally manufactured to comply with Standard No. 119 and whose maximum load ratings meet the requirements of S5.1.2.

S5.2 *Rim dimensions.* Each rim shall conform to the nominal diameter, rim width, bead seat, rim flange, and hump (and wheel depth in the case of drop center rim) dimensions listed for its size designation in one of the following forms:

(a) Described by manufacturer or brand name in a document furnished to dealers of the manufacturer's products, to any person upon request, and in duplicate to: Tire Division, National Highway Traffic Safety Administration, 400 Seventh Street, SW., Washington, D.C. 20590; or

(b) Contained in publications, current at the time of manufacture of the rim of at least one of the following organizations:

The Tire and Rim Association
The European Tyre and Rim Technical Organization
Japanese Industrial Standards
Deutsche Industrie Norm
The Society of Motor Manufacturers & Traders, Ltd.
British Standards Institution
Scandinavian Tire and Rim Organization

S5.3 *Rim marking.* Each rim shall be marked on the weather side with the following information, in the English language, in lettering not less than one-eighth of an inch high, impressed to a depth of not less than 0.005 inch below the surrounding surface.

(a) The symbol DOT, constituting a certification by the manufacturer that the device complies with all applicable motor vehicle safety standards.

(b) A designation to indicate the source of the published dimensions to which the rim conforms and, in the case of a publication, the applicable edition (e.g., TRA75).

(c) The manufacturer's code number assigned by the NHTSA. In the case of wheel rims of multi-piece construction, the manufacturer's code number assigned by the NHTSA and the manufacturer's size and type designation, on each part of the rim.

(d) The rim's maximum load rating and maximum inflation pressure as follows: Max Load _____ lbs at _____ psi cold.

(e) The rim size.

(f) The month and year of manufacture, expressed in numerals. For example, 10/75 means October 1975.

S5.4 *Information label.* A tire information label shall be affixed to each vehicle in the manner and form described in § 567.4 (b) through (f) of Part 567 of this chapter. The label shall be located adjacent to the certification label required by Part 567, and contain the following information, with reference to tires (not necessarily those on the vehicle) appropriate for the gross vehicle weight rating (GVWR) and the gross axle weight rating (GAWR) that appear on the certification label:

(a) GVWR and GAWR's;
(b) Tire size(s);
(c) Rim designation;
(d) Maximum tire inflation pressure; and
(e) Speed restriction, if any.

The manufacturer may, at his option, list more than one GVWR-GAWR-tire-rim combination on the label.

Platform truck example:

GVWR:
16,280 with 7.50–20(D) tires, 6.0 rims, at 75 psi cold single, 65 psi cold dual, (max speed ------).
17,340 with 7.00–20(E) tires, 5.5 rims, at 90 psi cold single, 80 psi cold dual, (max speed ------).
GAWR:
Front—6,280 with 7.50–20(D) tires, 6.0 rims, at 75 psi cold single (max speed -----).
—6,300 with 7.00–20(E) tires, 5.5 rims, at 90 psi cold single, (max speed ------).
Rear—11,000 with 7.50–20(D) tires, 6.0 rims, at 65 psi cold dual, (max speed ------).
—11,949 with 7.00–2(E) tires, 5.5 rims, at 80 psi cold dual, (max speed ------).

[FR Doc.74–12640 Filed 5–31–74;8:45 am]

DEPARTMENT OF LABOR

Occupational Safety and Health Administration

[29 CFR Part 1907]

ACCREDITATION OF TESTING LABORATORIES

Proposed Revocation

On September 11, 1973, Chapter XVII of Title 29, Code of Federal Regulations, was amended by adding a new Part 1907, Accreditation of Testing Laboratories. This regulation was issued because various occupational safety and health standards require that specified equipment or products be approved. "Approved" is commonly defined in the standards by reference to actions of a nationally recognized testing laboratory or agency. The regulation established the criteria and procedures whereby a testing laboratory could be accredited by the Occupational Safety and Health Administration (OSHA). In this way the uncertainty which has existed as to the identity of nationally recognized laboratories, within the meaning of the standards, would be removed by the development of a register of accredited testing laboratories.

The amendment also provided an opportunity for comment by interested parties until October 31, 1973. Pursuant to requests received, the comment period was extended to December 14, 1973, and a public hearing was held on January 9, 1974, in order to assure that all interested parties had adequate opportunity to submit data, views and arguments concerning the regulation. The record was held open until February 9, 1974, for any additional written comments.

The written comments and oral presentations have raised numerous and serious questions. Some comments dispute the procedure by which the regulation was issued, arguing that interested persons were entitled to a notice of a proposal to adopt such a regulation and an opportunity to comment on the proposal, before the regulation was adopted as a final rule. However, it was pointed out in the preamble to the regulation that good cause existed to implement the regulation immediately, in order to grant prompt relief to laboratories whose services were being refused, and in order to facilitate compliance with occupational safety and health standards requiring approval.

Some people questioned OSHA's legal authority to issue the regulation arguing that the Williams-Steiger Occupational Safety and Health Act of 1970 does not authorize the Secretary of Labor to implement laboratory accreditation either expressly or by inference.

The criterion that a laboratory be independent with regard to affiliation with any manufacturer, supplier or vendor of the product being approved was challenged. It was stated that this criterion impugned the integrity of many trade associations' and manufacturers' laboratories. Other comments on this issue noted that the independence criterion provided an established means by which test objectivity could be greatly enhanced without potential conflict of interest.

Some commentors raised questions on the "recall" procedures in the regulation. They argued that a laboratory could not be authorized to physically recall a nonconforming product from the user or marketplace.

Several comments expressed concern with the provision that states, "where no safety test standard exists, the laboratory shall prepare and submit both a written tests standard and test procedure to the Division of Safety Standards for approval." These commentors believe that this rule circumvents the explicit provision of section 6(b) of the Act and deprives interested parties of prior notice and opportunity to submit comments and be heard on objections.

In addition, our review of the comments suggest that the impact of the regulation may be substantially more widespread than had been anticipated at the time of its issuance. This realization, in turn, raises administrative questions concerning the availability of adequate resources for a fair implementation of the regulation.

For all these reasons, OSHA has decided to reconsider the entire matter relating to laboratory accreditation. In connection with this reconsideration, the aid of an advisory committee will be sought. And, in order to give the widest scope to the deliberations of the committee, it is proposed to revoke the regulation. Although the revocation would deny prompt relief to testing laboratories whose services are being refused, it appears that a thorough reevaluation of this entire matter may better serve all interested parties in the long term.

Accordingly, pursuant to authority in Section 8(g)(2) of the Williams-Steiger Occupational Safety and Health Act of 1970 (84 Stat. 1600 (29 U.S.C. 657)), section 107 of the Contract Work Hours and Safety Standards Act (83 Stat. 96 (40 U.S.C. 333)) and Secretary of Labor's Order No. 12–71 (36 FR 8754), it is proposed to revoke Part 1907 of Title 29 of the Code of Federal Regulations.

Interested persons are invited to submit written data, views and arguments concerning this proposal by July 3, 1974. Such written comments should be submitted to the following address: Docket Officer, Room 220; Docket No. S–100, Occupational Safety and Health Administration, U.S. Department of Labor, 1726 M Street NW., Washington, D.C. 20210.

Signed at Washington, D.C. this 23d day of May, 1974.

JOHN STENDER,
Assistant Secretary of Labor.

[FR Doc.74–12647 Filed 5–31–74;8:45 am]

[29 CFR Part 1910]

OCCUPATIONAL SAFETY AND HEALTH STANDARDS

Conveyors

Pursuant to section 6(b) of the Williams-Steiger Occupational Safety and Health Act of 1970 (84 Stat. 1593 (29 U.S.C. 655)), Secretary of Labor's Order No. 12–71 (36 FR 8754) and 29 CFR Part 1911, it is hereby proposed to amend 29 CFR Part 1910 by adopting a new standard, § 1910.186, for conveyors used in general industry, as set forth below.

Between July 1972 and June 1973, there were 64 serious and nonserious violations of standards regulating conveyor use for three specialized industries (i.e., pulp, paper, and paper board mills; bakery equipment; and sawmills) as reported by the Management Data Service of the U.S. Department of Labor. These three industries represent only a small percentage of the industries that use conveyors and their reliance upon conveyors is not considered heavy. In light of these circumstances, the commencement of proceedings to establish a standard for conveyors appears particularly appropriate.

The proposed standard on conveyors was developed after review of the consensus standard, American National Standards Institute (ANSI) B20.1–1972. The principle deviations from the consensus standard include the following.

1. Safety requirements that are identical for several types of conveyors have been included in the general practices paragraph or the general requirements paragraph to avoid repetitiveness.

2. Several provisions of the consensus standard which were advisory have been made mandatory to reflect the regulatory nature of the Occupational Safety and Health Act standards.

3. References to related equipment (i.e., chutes, bins, etc.) have been deleted since they will be covered in other standards.

4. Design criteria which do not materially affect the obligations of employers have been deleted.

Interested persons are invited to submit written data, views, and arguments

concerning the proposal to the Docket Officer, Docket OSSN–1, Room 230, 1726 M Street NW., Washington, D.C. 20210, by August 2, 1974. The data, views, and arguments will be available for public inspection and copying at the above address.

Pursuant to 29 CFR 1910.11 (b) and (c), interested persons may, in addition to filing written matter as provided above, file objections to the proposal requesting an informal hearing with respect thereto, in accordance with the following conditions:

(1) The objections must include the name and address of the objector.

(2) The objections must be postmarked on or before August 2, 1974.

(3) The objections must specify with particularity the provision of the proposed rule to which objection is taken, and must state the grounds therefor.

(4) Each objection must be separately stated and numbered.

(5) The objections must be accompanied by a summary of the evidence proposed to be adduced at the requested hearing.

The proposed § 1910.186 would read as follows:

§ 1910.186 Conveyors.

(a) *Scope.* This section applies to conveyors used to transport bulk material, packages and units; it covers the safe installation, inspection, operation and maintenance of such conveyors, including conveying mediums, their mechanical power transmission components and their supporting structures. Excluded are conveyors which are designed, installed and used for the movement of persons.

(b) *Definitions applicable to this section.* (1) "Angle of inclination" is the angle formed by the conveyor and the horizontal when the conveyor moves material from one level to another level. The feed point may be higher or lower than the dicharge point.

(2) "Bucket conveyor" is a conveyor in which the material transported is carried in a series of buckets.

(3) "Casing" is a structure which encloses and supports a conveyor's machinery elements and/or conveying medium in order to confine dirt and fumes, shield component parts and protect employees in the area.

(4) "Cleat" is an attachment fastened to the conveying medium to keep material on the medium properly positioned. Examples of a cleat are a pusher, support, check or trip.

(5) "Conveyor" is a device for carrying or transporting bulk material, packages or units in a horizontal, inclined, or vertical path predetermined by the design of the device and having points of loading and discharge which are fixed or selective. The types of conveyors may be identified by their conveying medium, their angle of inclination, the type of material being conveyed, etc.

(6) "Conveying medium" is that portion of the conveyor which carries or transports bulk material, packages or units.

(7) "Counterweight" is a weight used to balance or impose a load.

(8) "Designated personnel" are those selected or assigned by the employer or employer's representative as being qualified to perform specific duties.

(9) "Gate" is a device to stop or regulate the flow of material on the conveying medium.

(10) "Guarded" means shielded, fenced, enclosed or otherwise protected by means of suitable enclosures, covers, casings, shield guards, trough guards, railing guards, or by location or position or both so as to remove any foreseeable risk of personal injury to employees from accidental contact or exposure.

(11) "Limit switch" is a device to control movement of the conveying medium and allied equipment within certain distance or time limitations.

(12) "Lock out" occurs when a lock is placed on a switch that is in the off position thus preventing the switch from being turned on.

(13) "Nip point" is that point at which an element of the conveyor machinery moving in a line or rotating meets another element which is either rotating or moving in a line in such a manner that it is possible to nip, pinch, squeeze, or entrap objects coming in contact with one of the two elements.

(14) "Oscillating, reciprocating and vibrating conveyors" are conveyors that utilize a conveying medium which oscillates, reciprocates or vibrates during its operation in order to move material along the conveying medium.

(15) "Overhead conveyor" is an elevated conveyor which frequently is situated over walkways, roadways, work areas or other areas where employees might be.

(16) "Pinch point" is a point within some types of oscillating and vibrating conveyors where two or more parts which move together and/or apart with regular and rapid motion can pinch objects placed between them.

(17) "Screw conveyor" is a revolving screw enclosed in a suitably shaped trough or casing that typically conveys bulk material.

(18) "Shear point" or "shear line" is the point at which, or the line along which, a moving part in the conveyor meets or passes close enough to a stationary part or object so that parts of the human body can be caught, trapped, or pinched between them.

(19) "Sheave" is a wheel with a grooved rim that is part of a pulley.

(20) "Skip hoist" is a bucket or car which travels up and down a defined path receiving, elevating and discharging bulk material.

(21) "Slack cable switch" is a device that will automatically shut off the power to the conveyor when the device senses a loss of tension in the conveying medium.

(22) "Slat conveyor" is a conveyor employing one or more endless chains to which non-overlapping, non-interlocking, spaced slats are attached to form the conveying medium.

(23) "Spill guard" is a device to catch and retain spillage of material from the conveying medium.

(24) "Transfer mechanism" is a device which transfers material onto, or off of a conveyor, or from one conveyor to another.

(c) *General practices.* Whenever any conveyor is used, the employer shall require that the following practices are observed:

(1) On installation, conveyors shall be tested prior to initial service. The conveyor and all switches shall be operated briefly to check for operational safety;

(2) Before operating the conveyor each day, a visual inspection of the entire conveyor and immediate area shall be made by the operator of the conveyor to determine that actuation will cause no hazard to employees; the inspection shall include an examination of at least the following: (i) Feed points; (ii) Discharge points; (iii) Brakes; (iv) Cables and sheaves; (v) Tracks and rails, wheels, rollers; (vi) Limit switches and slack cable switches; (vii) The presence of all guards and switches; and (viii) Any parts of the conveyor exposed to employees.

(3) If observation of the entire conveyor is not possible from the operator's station, audible or visual warning signals or both, detectable at all employee stations, shall be used to warn of the conveyor's actuation;

(4) If a conveyor is not operated continuously, an audible or visual alarm shall be used to warn employees that the conveyor is being started;

(5) A conveyor shall be used to transport only the material it was designed to handle;

(6) Any conveyor which is unsafe shall not be used until it is made safe;

(7) Each conveyor shall not exceed its maximum rated speed and rated capacity;

(8) Employees shall not be allowed to cross over a moving conveyor without using a climbing device, or elevated walkway, which provides safe access and prevents the employees from coming in contact with the conveyor. Climbing devices, access ladders and walkways which cross over or are adjacent to a conveyor shall be constructed and maintained in accordance with the requirements of § 1910.23;

(9) Casings, guards and other safety devices shall not be removed, bypassed or disengaged by the operator during operation;

(10) Employees shall not climb onto components of a conveyor unless such component is either a walking or working surface as defined in § 1910.23;

(11) Employees shall not ride on conveying mediums;

(12) If the conveyor is lubricated while in operation, the lubrication fittings shall be guarded;

(13) Drip pans shall be used when necessary to contain the drip of liquids from the conveying medium;

(14) Only trained operators shall be permitted to operate conveyors. Train-

ing shall include instruction in operation under normal conditions and emergency action under unusual conditions;

(15) Slack cable switches shall be used when a conveyor is operated with tension on the conveying medium;

(16) All necessary guards, switches, and other safety devices shall be installed in such a manner that a loss of power to the conveyor will not render the guards, switches, or safety devices inoperative; and

(17) Each conveyor shall be kept free of accumulations of material that could inhibit its safe operation.

(d) *General requirements.* (1) Mechancial power transmission guarding shall be in accordance with Subpart O of this Part.

(2) Each conveyor shall have its maximum rated speed and rated capacity conspicuously marked on it.

(3) Where operator's stations are not manned or are beyond voice or visual contact, or both, with locations where employees are normally in close proximity to the conveyor, each location shall be equipped with emergency controllers (i.e., stop buttons, pull cords, limit switches, etc.). Emergency controllers shall be installed so that they cannot be overridden from other locations.

(4) All electrical equipment shall be installed in accordance with the requirements of Subpart S of this Part.

(e) *Guarding.* (1) Guards shall be kept in place at all times except when the electrical power is off and the conveyor is locked out.

(2) Nip and shear points shall be guarded.

(3) Transfer mechanisms and transfer mechanism-conveyor junctions shall be guarded.

(4) Counterweights supported by belts, cables or chains shall be confined within an enclosure or otherwise guarded to prevent the counterweights from falling on employees.

(5) Conveyors carrying hazardous materials in bulk form or in open top or breakable containers shall be housed, covered or so guarded that employees cannot come in contact with the hazardous materials.

(6) Devices to guide and center material on the conveying medium shall be provided where their absence might cause material to fall off of the conveying medium.

(7) Where a load on a portion of the conveying medium would result in injury to employees, a sensing device to detect the presence of the load and to stop the conveyor or warn employees of the hazard shall be employed.

(8) Each guard, cleat or gate shall be of sufficient size to prevent material on the conveying medium from getting past the guard, cleat or gate.

(9) When a conveyor passes through a platform or other working or walking surface, the floor opening shall be guarded in accordance with the requirements of § 1910.23.

(10) Exposed edges of conveying mediums shall be guarded to prevent contact with employees.

(f) *Repairs, tests and services.* (1) All repairs and services shall be performed by designated personnel.

(2) Before repairs, tests or services are begun, the following precautions shall be taken:

(i) The conveyor shall be placed in a location where it will cause the least possible interference with employees not involved in the conveyor operation. Where the regular work of employees requires them to frequently pass close to the conveyor, the area shall be roped off or barricaded and caution signs shall be posted in the area in accordance with the caution sign requirements of § 1910.145.

(ii) All power controls shall be locked out. When operation of the conveyor is necessary during repairs or testing, the power shall be left on only to perform those tests and repairs. Affected employees shall be warned that the power is on for this purpose; and

(iii) All brakes on the conveyor shall be set when it is stopped for repairs, test or services. If a brake is being repaired or serviced, other means shall be taken to effectively prevent accidental movement of the conveyor and/or its components.

(3) No conveyor replacement part shall be used if it will adversely affect safe operation.

(4) After the conveyor has been repaired, tested or serviced, it shall not be operated until all guards and safety devices have been reinstalled, all maintenance equipment has been removed and a visual inspection of the conveyor and the immediate area has been conducted.

(g) *Bucket conveyors and inclined sections of conveyors.* In addition to the requirements of paragraphs (c), (d), and (e) of this section:

(1) Where mechanical or electrical failure will cause uncontrolled lowering of a load in bucket conveyors or inclined sections of conveyors, they shall be equipped with a brake system or backstop device that will stop the load; and

(2) The angle of inclination shall not exceed that required for safe and controlled movement of the load being conveyed.

(h) *Oscillating, reciprocating and vibrating conveyors.* In addition to the requirements of paragraphs (c), (d), and (e) of this section:

(1) Pinch points shall be guarded; and

(2) An aisle 18 inches wide, free from obstructions, shall be established around each conveyor prior to its actuation.

(i) *Overhead conveyors.* In addition to the requirements of paragraphs (c), (d), and (e) of this section:

(1) All moving parts shall either be mechanically guarded or guarded by location or position. In order to be guarded by location or position, all moving parts shall either be at least 7 feet above the walkway, roadway or working surface or located so that employees cannot come in contact with the moving parts from their work place: *Provided, however,* That nip points shall be considered guarded by location when they are a minimum of 9 feet above the walking or working surface; and

(2) Spill guards shall be installed, except where impractical, in which case other measures (such as prohibiting access to the area under the conveyor) shall be taken to protect employees from falling objects.

(j) *Portable conveyors.* In addition to the requirements of paragraphs (c), (d), and (e) of this section:

(1) Before moving a portable conveyor, all component parts shall be placed in the position they were designed to be put in for travel; and

(2) When positioning the conveyor for use, the operator shall place the conveyor on a stable support, base or foundation and secure the conveyor against moving.

(k) *Screw conveyors.* In addition to the requirements of paragraphs (c), (d), and (e) of this section:

(1) Screw conveyors shall be operated with covers secured in place, unless guarded by location. Covers shall be solid or of wire mesh of such size as to prevent an employee from coming into the path of the conveying medium; and

(2) Feed and discharge points shall be guarded by a wire mesh screen of such size as to prevent an employee from coming into the path of the conveying medium or, if a wire mesh screen cannot be used because material which builds-up on the screen is being conveyed, guarding in accordance with the requirements of § 1910.23 shall be used.

(l) *Skip hoists.* In addition to the requirements of paragraphs (c), (d), and (e) of this section:

(1) Sheave guards shall be installed to prevent disengagement of wire rope under slack cable or similar conditions.

(2) Slack cable switches shall be installed to detect slack or loss of tension in skip hoisting rope or counterweight hoisting rope.

(m) *Slat conveyors.* In addition to the requirements of paragraphs (c), (d), and (e) of this section, where the gaps between slats exceeds ½", cross members of the supporting structure shall be located so that a shear point or shear line is not created, or a solid uninterrupted surface shall be placed between the slats and the cross members.

(Sec. 6, Pub. L. 91-596, 84 Stat. 1593 (29 U.S.C. 655)).

Signed at Washington, D.C., this 23d day of May 1974.

JOHN STENDER,
Assistant Secretary of Labor.

[FR Doc.74-12645 Filed 5-31-74;8:45 am]

notices

This section of the FEDERAL REGISTER contains documents other than rules or proposed rules that are applicable to the public. Notices of hearings and investigations, committee meetings, agency decisions and rulings, delegations of authority, filing of petitions and applications and agency statements of organization and functions are examples of documents appearing in this section.

DEPARTMENT OF STATE

[Public Notice CM-145]

SECRETARY OF STATE'S ADVISORY COMMITTEE ON PRIVATE INTERNATIONAL LAW—STUDY GROUP ON MATRIMONIAL MATTERS

Notice of Meeting

A meeting of the Study Group on Matrimonial Matters, a subgroup of the Secretary of State's Advisory Committee on Private International Law, will take place on Wednesday, June 19, 1974, at Pleasant Hall, Louisiana State University, Baton Rouge, Louisiana. The meeting, which will begin at 10:00 a.m., will be open to the public.

The purpose of the meeting is to discuss draft replies to a Hague Conference questionnaire on the law applicable to matrimonial property.

Members of the public who desire to attend the meeting will be admitted up to the limits of the capacity of the meeting room. It is requested that prior to June 19, 1974, members of the general public who plan to attend the meeting inform their name and affiliation and address to Mr. Robert E. Dalton, Office of the Legal Adviser, Department of State; the telephone number is area code 202, 632-2107.

ROBERT E. DALTON,
Executive Director.

MAY 20, 1974.

[FR Doc.74-12582 Filed 5-31-74;8:45 am]

DEPARTMENT OF THE TREASURY

Bureau of Alcohol, Tobacco and Firearms

GRANTING OF RELIEF

Notice is hereby given that pursuant to 18 U.S.C., section 925(c), the following named persons have been granted relief from disabilities imposed by Federal laws with respect to the acquisition, transfer, receipt, shipment, or possession of firearms incurred by reason of their convictions of crimes punishable by imprisonment for a term exceeding one year.

It has been established to my satisfaction that the circumstances regarding the convictions and each applicant's record and reputation are such that the applicants will not be likely to act in a manner dangerous to public safety, and that the granting of the relief will not be contrary to the public interest.

Adkerson, Fred P., 1620 Stanford Drive, Anchorage, Alaska, convicted on December 27, 1973, in the United States District Court, Alaska.

Albrecht, Herbert Wayne, Route #5, Carrollton, Missouri, convicted on February 28, 1966, in the Circuit Court of Carroll County, Missouri.

Baranosky, Felix Andrew, 250 Turtle Lane, Seguin, Texas, convicted on September 21, 1965, in the Travis County District Court, Texas; March 25, 1966, in the Harris County District Court, Texas (multiple offenses); April 26, 1966, in the Jefferson County District Court, Texas; and on April 27, 1966, in the Galveston County District Court, Texas.

Barea, Julio H., 331 East 92nd Street, New York, New York, convicted on January 21, 1959, in the Court of General Sessions, New York.

Bodam, Richard E., 5618 Osage, Kansas City, Kansas, convicted on October 20, 1972, in the District Court, Johnson County, Kansas.

Brown, III, James C., 2318 Ursuline Avenue, New Orleans, Louisiana, convicted on March 26, 1965, in the United States District Court, Eastern District of Texas, Beaumont Division.

Bruso, Melvin J., 110 South Main Strreet, Rutland, Vermont, convicted on April 19, 1972, in the District Court of Vermont, Rutland Circuit.

Bullock, Steven R., 1105 3rd Avenue, South, Sauk Rapids, Minnesota, convicted on October 2, 1972, in the Seventh Judicial District Court, Stearns County, Minnesota.

Cannedy, Giles E., Route 2, Mabank, Texas, convicted on February 24, 1961, in the Dallas County District Court #2, Texas.

Carpenter, Roland R., 1271 West Minnehaha, St. Paul, Minnesota, convicted on October 28, 1960, in the Todd County District Court, Seventh Judicial District, Minnesota; and on January 4, 1961, in the Wadena County District Court, Seventh Judicial District, Minnesota.

Carr, Keith Duane, 107 S.W. 6th Street, College Place, Washington, convicted on May 7, 1969, in the Superior Court, County of Walla Walla, Washington.

Clement, George Rodney, 11445 S.W. Greenburg Road, #4, Tigard, Oregon, convicted on January 4, 1968, in the Circuit Court of Multnomah County, Oregon.

Coffman, Jr., Jack D., 185 N.W. Mall Street, Issaquah, Washington, convicted on August 19, 1965, in the Superior Court, King County, Washington.

Cox, Jerry Allen, 616 Fourth Avenue, Cedar Falls, Iowa, convicted on July 13, 1971, in the District Court, Blackhawk County, Iowa.

Crom'ole, Richard M., North 2811 Cincinnati Street, Spokane, Washington, convicted on June 14, 1961, in the Superior Court, Chelan County, Washington.

Dinch, Earl B., 5403 Ingraham Street, Hyattsville, Maryland, convicted on November 13, 1969, in the U.S. District Court, Baltimore, Maryland.

Dolan, Timothy W., 110 South Peabody, Port Angeles, Washington, convicted on October 24, 1958, in the Third Judicial Circuit Court, South Dakota; April 24, 1961, and April 26, 1961, in the Sixth Judicial Circuit Court, Pasco County, Florida; May 16, 1963, and June 3, 1963, in the Second Judicial Circuit Court, Minnehaha County, South Dakota; and December 18, 1968, in the First Judicial District Court, County of Lewis and Clark, Montana.

Ferrigno, Dominick C., 6 Lincoln Street, Wayland, New York, convicted on February 1, 1951, in the Supreme Court, Monroe County, New York.

Gardner, Terry L., 4189 Monroe Blvd., Ogden, Utah, convicted on or about June 12, 1957, and on October 12, 1959, in the District Court, Sixth Judicial District, Idaho.

Graves, Tommy F., 10722 Mallard Drive, Garden Grove, California, convicted on May 15, 1959, in the District Court, Oklahoma County, Oklahoma.

Groose, Robin W., 3324 Milwaukee Street, Apt. 15, Madison, Wisconsin, convicted on May 5, 1971, in Dane County Circuit Court, Madison, Wisconsin.

Hall, Randie B., 4325 Sheller Avenue, Dayton, Ohio, convicted on December 23, 1966, in Greene County Court of Common Pleas, Xenia, Ohio; and January 20, 1970, in Hamilton County Court of Common Pleas, Hamilton County, Ohio.

Haskins, Duane M., Alma Center, Wisconsin, convicted on November 16, 1971, in the Circuit Court, Jackson County, Wisconsin.

Hebron, Frederick, 4218 E. North Market Street, St. Louis, Missouri, convicted on May 8, 1958, and March 14, 1962, in the Circuit Court of St. Louis, Missouri.

Hill, Mark L., 517½ Nevada Street, Toledo, Ohio, convicted on April 7, 1960, in the Common Pleas Court, Fulton County, Ohio.

Howell, Paul D., Route 1, Box 375, Cottage Grove, Oregon, convicted on April 28, 1966, U.S. District Court for the District of Oregon.

Huffman, Lawrence H., 1102 South Main Street, Mt. Vernon, Ohio, convicted on January 27, 1955, in the Coshocton County, Court of Common Pleas, Ohio; February 28, 1955, in the Court of Common Pleas, Morrow County, Ohio; and May 11, 1955, in the Court of Common Pleas, Franklin County, Ohio.

Ice, Luther F., 13580 East York Street, Mishawaka, Indiana, convicted on June 23, 1927, in the Cass County Circuit Court, Indiana; and November 18, 1932, in the St. Joseph County Circuit Court, Indiana.

LaHue, John D., 3113 Shenandoah, St. Louis, Missouri, convicted on June 22, 1971, in the Circuit Court of the City of St. Louis, Division 10, St. Louis, Missouri; and April 13, 1972, in the Circuit Court of the City of St. Louis, Division 17, St. Louis, Missouri.

LeJune, Joseph A., P.O. Box No. 35, Fortson, Georgia, convicted on February 24, 1966, in the Superior Court, Muscogee County, Georgia.

Lunneborg, Larry H., 6703 California Avenue, SW., Seattle, Washington, convicted on October 1, 1973, in the Superior Court, King County, Washington.

McCoy, Roger E., 1614 Beech Street, St. Paul, Minnesota, convicted on May 11, 1961, in the U.S. District Court for the Judicial District of Minnesota, Third Division, Minneapolis, Minnesota.

Maas, Richard Lee, 506 8th Street, NW., Rochester, Minnesota, convicted on April 26, 1971, in the Third District Court, Mower County, Minnesota.

Mize, Harvey Lee, Route No. 1, Box 485, Axton, Virginia, convicted on July 1, 1958, in the

Martinsville Circuit Court, Martinsville, Virginia.

Powell, Sr., Everett E., R.R. No. 4, Box 397, Danville, Illinois, convicted on January 17, 1963, in the Circuit Court, Fifth Judicial Circuit, Illinois.

Pryor, James V., 15474 Cloverlawn, Detroit, Michigan, convicted on June 27, 1945, in the United States District Court, Southern District of Indiana, Indianapolis Division.

Richardson, Jr., William A., 2134 Trade Wind, Apt. #69, Mesquite, Texas, convicted on July 18, 1958, in the Criminal District Court of Dallas County, Texas.

Ritter, Douglas P., 608½ Walnut Street, Webster City, Iowa, convicted on October 22, 1970, in the District Court, Hamilton County, Iowa.

Roads, George J., 4802 NE Holman Street, Portland, Oregon, convicted on October 19, 1971, in the Circuit Court of Multnomah County, Oregon.

Rotz, Harold E., 138 Walnut Street, Uniontown, Pennsylvania, convicted on May 3, 1966, in the Franklin County Court, Chambersburg, Pennsylvania.

Royal, James E., 10906 144th Street East, Puyallup, Washington, convicted on February 18, 1972, in the United States District Court, Western District, Washington.

Scott, Howard F., 11830 Duxbury Drive, Dallas, Texas, convicted on February 12, 1948, general court martial at United States Naval Station, New Orleans, Louisiana.

Shoults, Michael J., 1904 N. Redfern Way, Anderson, Indiana, convicted on September 29, 1971, in the Kosciusko County Superior Court, Indiana.

Sulentic, Anthony P., 427 Downing Avenue, Waterloo, Iowa, convicted on July 21, 1952, in the District Court, Fourth Judicial District, El Paso County, Colorado; July 25, 1953, in the Linn County District Court, Iowa; and February 14, 1957, in the Black Hawk County District Court, Iowa.

Taylor, Jimmie C., P.O. Box 891, Marion, Virginia, convicted on May 3, 1965, in the Circuit Court, Martinsville, Virginia; and June 3, 1965, in the Circuit Court, Henry County, Virginia.

Vickroy, Robert J., 320 17th Street, Moline, Illinois, convicted on October 18, 1939, in the Circuit Court, Rock Island County, Illinois.

Wetzel, Kenneth O., R.D. #3, P.O. Box 379-A, Greencastle, Pennsylvania, convicted on April 22, 1970, in the Court of Common Pleas, Franklin County, Pennsylvania.

Wiedemeier, Peter P., R.R. #1, Box 75, Porterfield, Wisconsin, convicted on August 16, 1971, in the Marinette County Court, Wisconsin.

Williams, Roger H., 2713 B ½ Road, Space D-2-W, Grand Junction, Colorado, convicted on March 5, 1970, in the Twenty-First Judicial District Court, Mesa County, Colorado.

Signed at Washington, D.C. this 22d day of May 1974.

[SEAL] REX D. DAVIS,
Director, Bureau of Alcohol, Tobacco and Firearms.

[FR Doc.74-12642 Filed 5-31-74;8:45 am]

DEPARTMENT OF JUSTICE

Drug Enforcement Administration

[Docket No. 74-4]

DAVID M. HIGGINS, M.D.

Notice of Hearing

Notice is hereby given that on April 3, 1974, the Drug Enforcement Administration, Department of Justice, issued to David M. Higgins, M.D., Greenville, Pennsylvania, an Order to Show Cause as to why the Drug Enforcement Administration registration No. AH3470678 issued to him pursuant to section 303 of the Controlled Substances Act (21 U.S.C. 823) should not be revoked.

Thirty days having elapsed since said Order was received by Dr. Higgins, and written request for a hearing having been filed with the Drug Enforcement Administration, notice is hereby given that a hearing in this matter will be held commencing at 10:00 a.m. on June 4, 1974, in Hearing Room-A, 11th Floor, Ballston Tower #3, 4015 Wilson Boulevard, Arlington, Virginia 22203.

Dated: May 23, 1974.

ANDREW C. TARTAGLINO,
Acting Deputy Administrator, Drug Enforcement Administration.

[FR Doc.74-12655 Filed 5-31-74;8:45 am]

DEPARTMENT OF THE INTERIOR

Bureau of Mines

ADVISORY COMMITTEE ON COAL MINE SAFETY RESEARCH

Notice of Meeting

Notice is hereby given that the Advisory Committee on Coal Mine Safety Research will meet June 11 and 12, 1974, commencing at 12:30 p.m., at the William Penn Hotel, William Penn Place, Pittsburgh, Pennsylvania. The purpose of the Committee is to consult with and make recommendations to the Secretary of the Interior on matters involving or relating to coal mine safety research. The meeting will be open to the public except for two Executive sessions. During the Executive sessions the Committee will consider proposed research contracts which contain commercial or financial information which is privileged or confidential matter under 5 U.S.C. 552(b)(4). This session will not be open to the public. Persons desiring further information concerning this meeting may contact:

Mr. Donald G. Rogich, Department of the Interior, Bureau of Mines, Room 3513, Telephone (202) 343-4319.

The agenda of the meeting is set forth below.

Dated: May 28, 1974.

THOMAS A. HENRIE,
Acting Director.

Agenda—Advisory Committee on Coal Mine Safety Research fourteenth meeting, Pennsylvania Room, William Penn Motel, William Penn Place, Pittsburgh, Pennsylvania, June 11 and 12, 1974.

JUNE 11, 1974

12:30 p.m.—Executive session. Review of Committee's evaluation of proposed FY 75 Health and Safety Research Program. Closed to public.
2:00 p.m.—Break.
2:15 p.m.—Presentations by various major equipment manufacturers on safety research needs.
4:30 p.m.—Adjournment.

JUNE 12, 1974

8:30 a.m.—Presentations by various major equipment manufacturers, continued.
10:00 a.m.—Break.
12:00 noon—Lunch.
1:00 p.m.—Continuation of Executive session. Closed to public.
2:00 p.m.—Adjournment.

[FR Doc.74-12619 Filed 5-31-74;8:45 am]

Geological Survey

KEMMERER, WYOMING

Known Leasing Areas (Coal)

Pursuant to authority contained in the Act of March 3, 1879 (43 U.S.C. 31), as supplemented by Reorganization Plan No. 3 of 1950 (43 U.S.C. 1451, note), and 203 Departmental Manual 1, and Secretary's Order No. 2948, Federal lands within the State of Wyoming have been classified as subject to the competitive coal leasing provisions of the Mineral Leasing Act of February 25, 1920, as amended (30 U.S.C. 201). The name of the area, effective date, and total acreage involved are as follows:

(50) WYOMING

Kemmerer (Wyoming) Known Leasing Area (Coal); March 25, 1974, 263,024 acres.

A diagram showing the boundaries of the area classified for competitive leasing has been filed with the appropriate land office of the Bureau of Land Management. Copies of the diagram and the land description may be obtained from the Regional Conservation Manager, U.S. Geological Survey, Building 25, Denver Federal Center, Denver, Colorado 80225.

Dated: May 21, 1974.

HENRY W. COULTER,
Acting Director.

[FR Doc.74-12618 Filed 5-31-74;8:45 am]

DRILLING PROCEDURES

Proposed OCS Order No. 2, Gulf of Mexico Area

Notice is hereby given that pursuant to 30 CFR 250.11, 250.34, 250.41, and 250.91, the Chief, Conservation Division, Geological Survey, proposes to revise OCS Order No. 2 for the Gulf of Mexico Area as set forth below.

The purpose of proposed OCS Order No. 2 is to provide revised requirements for drilling procedures on the OCS in the Gulf of Mexico Area. The Order includes requirements for well casing and cementing, blowout prevention equipment, and the mud program.

Interested persons may submit written comments, suggestions, and objections concerning the proposed Order to the Director, U.S. Geological Survey, National Center, Mail Drop 101, 12201 Sunrise Valley Drive, Reston, Virginia 22092 on or before July 1, 1974.

V. E. MCKELVEY,
Director.

[OCS Order No. 2]

NOTICE TO LESSEES AND OPERATORS OF FEDERAL OIL AND GAS LEASES IN THE OUTER CONTINENTAL SHELF, GULF OF MEXICO AREA

Effective _____

DRILLING PROCEDURES

This Order is established pursuant to the authority prescribed in 30 CFR 250.11. All exploratory and development wells drilled for oil and gas shall be drilled in accordance with 30 CFR 250.34, 250.41, 250.91, and the provisions of this Order which shall continue in effect until field drilling rules are issued. When sufficient geologic and engineering information is obtained through exploratory drilling, operators may make application or the Supervisor may require an application for the establishment of field drilling rules. After field drilling rules have been established by the Supervisor, development wells shall be drilled in accordance with such rules.

All wells drilled under the provisions of this Order shall have been included in an exploratory or development plan for the lease as required under 30 CFR 250.34. Each Application for Permit to Drill (Form 9-331C) shall include all information required under 30 CFR 250.91, and shall include a notation of any proposed departures from the requirements of this Order. All departures from the requirements specified in this Order shall be subject to approval pursuant to 30 CFR 250.12(b).

The operator shall comply with the following requirements. All applications for approval under the provisions of this Order shall be submitted to the appropriate District Supervisor. References in this Order to approvals, determinations, or requirements are to those given or made by the Supervisor or his delegated representative.

1. *Well casing and cementing.* All wells shall be cased and cemented in accordance with the requirements of 30 CFR 250.41(a)(1), and the application for permit to drill shall include the casing design safety factors for collapse, tension, and burst. The minimum design for all wells shall be such that the pressures associated with a 0.5 ppg zero volume kick can be safely controlled. All casing shall be new pipe, or reconditioned pipe that has been tested and inspected to verify a like-new condition. In cases where cement has filled the annular space back to the Gulf floor, the cement may be washed out or displaced to a depth of forty (40) feet below the Gulf floor to facilitate casing removal upon well abandonment. For the purpose of this Order, the several casing strings in order of normal installation are drive or structural, conductor, surface, intermediate, and production casing.

A. *Drive or structural casing.* This casing shall be set by drilling, driving, or jetting to a minimum depth of 100 feet below the Gulf floor or to such greater depth required to support unconsolidated deposits and to provide hole stability for initial drilling operations. If this portion of the hole is drilled, the drilling fluid shall be of a type that is not unduly harmful to aquatic life, and a quantity of cement sufficient to fill the annular space back to the Gulf floor shall be used.

B. *Conductor and surface casing.* Casing design and setting depths shall be based upon all engineering and geologic factors including the presence or absence of hydrocarbons or other potential hazards and water depths. Formation fracture gradients and the hydrostatic pressure to be contained within the well bore shall be considered in determining the setting depths of all casing strings.

(1) *Conductor casing.* This casing shall be set at a depth in accordance with Paragraph 1B(3) below. A quantity of cement sufficient to fill the annular space back to the Gulf floor shall be used.

(2) *Surface casing.* This casing shall be set at a depth in accordance with Paragraph 1B(3) below and cemented in a manner necessary to protect all fresh water sands and provide well control until the next string of casing is set.

This casing shall be cemented with a quantity sufficient to fill the calculated annular space to at least 1,500 feet above the surface casing shoe and at least 100 feet inside the conductor casing or as approved by the District Supervisor. When there are indications of improper cementing, such as lost returns, cement channeling, or mechanical failure of equipment, the operator shall recement or make the necessary repairs. After drilling a maximum of 100 feet below the surface casing shoe, a pressure test of the exposed formation is required equivalent to the anticipated maximum mud weight to which the formation will be exposed. All tests of the exposed formation shall be recorded on the driller's log and used in determining the setting depth of the next string of casing.

(3) *Conductor and surface casing setting depths.* These strings of casing shall be set at the depths specified below subject to approved variations to permit the casing to be set in a competent bed; or through formations determined desirable to be isolated from the well by pipe for safer drilling operations; provided, however, that the conductor casing shall be set immediately prior to drilling into formations known to contain oil or gas or, if unknown, upon encountering such formations. These casing strings shall be run and cemented prior to drilling below the specified setting depths. For those wells which may encounter adnormal pressure conditions, the District Supervisor may prescribe the exact setting depth. Conductor casing setting depths shall be between 500 feet and 1,000 feet (TVD below Gulf floor) and surface casing setting depths shall be between 1,500 feet and 4,500 feet (TVD below Gulf floor). The ratio of surface casing setting depth to conductor casing setting depth shall not exceed 4.5 to 1 unless approved as outlined above. Engineering and geologic data used to substantiate the proposed setting depths of the conductor and surface casing (such as, estimated fracture gradients, pore pressures, shallow hazards, etc.) shall be furnished with the Application for Permit to Drill.

C. *Intermediate casing.* This string of casing shall be set when required by anticipated abnormal pressure, mud weight, sediment, and other well conditions. The proposed setting depth for intermediate casing will be based on the pressure tests of the exposed formation below the surface casing shoe.

A quantity of cement sufficient to cover and isolate all hydrocarbon zones and to isolate abnormal pressure intervals from normal pressure intervals shall be used. If a liner is used as an intermediate string, the cement shall be tested by a fluid entry or pressure test to determine whether a seal between the liner top and next larger string has been achieved. The test shall be recorded on the driller's log. When such liner is used as production casing, it shall be extended to the surface and cemented to avoid surface casing being used as production casing.

D. *Production casing.* This string of casing shall be set before completing the well for production. It shall be cemented in a manner necessary to cover or isolate all zones which contain hydrocarbons, but in any case, a calculated volume sufficient to fill the annular space at least 500 feet above the uppermost producible hydrocaborn zone must be used. When a liner is used as production casing, the testing of the seal between the liner top and next larger string shall be conducted as in the case of intermediate liners. The test shall be recorded on the driller's log.

E. *Pressure testing.* Prior to drilling the plug after cementing, all casing strings, except the drive or structural casing, shall be pressure tested as shown in the table below. The test pressure shall not exceed 80 percent of the internal yield pressure of the casing. The surface casing shall be tested with water in the top of 100 feet of the casing. If the pressure declines more than 10 percent in 30 minutes, or if there is another indication of a leak, the casing shall be recemented, repaired, or an additional casing string run, and the casing shall be tested again in the same manner.

Casing	*Minimum surface pressure*
Conductor____	200.
Surface_____	1,000.
Intermediate__	1,500 or 0.2 lb/in²/ft, whichever is greater.
Liner_____	Do.
Production___	Do.

After cementing any of the above strings, drilling shall not be commenced until a time lapse of 8 hours under pressure for conductor casing string or 12 hours under pressure for all other strings. Cement is considered under pressure if one or more float valves are employed and are shown to be holding the cement in place or when other means of holding pressure is used. All casing pressure tests shall be recorded on the driller's log.

F. *Directional surveys.* Surveys shall be taken during the normal course of drilling for all vertically and directionally drilled wells. Inclination surveys shall be obtained at intervals not to exceed 500 feet. Directional surveys giving both inclination and azimuth shall be obtained at intervals not to exceed 100 feet between stations prior to, or upon, setting surface casing, intermediate casing or intermediate liners, before drilling into abnormal pressure, and at total depth. Composite directional surveys shall be filed in the absence of conductor casing from the bottom of drive pipe to total depth. In calculating all surveys, a correction from true north to Lambert-Grid north shall be made after making the magnetic to true north correction.

2. *Blowout prevention equipment.* Blowout preventers and related well control equipment shall be installed, used, and tested in a manner necessary to prevent blowouts. Prior to drilling below the drive pipe or structural casing and until drilling operations are completed, blowout prevention equipment shall be installed and maintained ready for use as follows:

A. *Drive or structural casing and conductor casing.* Before drilling below these strings, at least one remote-controlled annular type blowout preventer and equipment for circulating the drilling fluid to the drilling structure or vessel shall be installed. A diverter system consisting of piping with a 6" minimum inside diameter or equivalent and full-open valves shall be installed in order to permit the full diversion of hydrocarbons or other fluids. The diverter system shall be equipped with automatic, remote-controlled valves which will open prior to shutting in the well. A schematic diagram and operational procedure for the diverter system shall be submitted with the Application for Permit to Drill (Form 9-331C) to the District Supervisor for approval. The diverter system shall be equipped with two lines venting in an opposite direction from each other to accomplish downwind diversion.

When the blowout preventer assembly is on the Gulf floor, the choke and kill lines shall be equipped with 4" minimum inside diameter lines, connections, and fittings, or an annular preventer equipped with suitable diversion lines, as described above, installed on top of the marine riser, to permit the diversion of hydrocarbons and other fluids.

B. *Surface casing.* Before drilling below this string, the blowout prevention equipment shall include a minimum of: (1) Three remote-controlled hydraulically operated blowout preventers with a working pressure which exceeds the maximum anticipated surface pressure, including one equipped with pipe rams, one with blind rams, and one annular type; (2) a drilling spool with side outlets, if side outlets are not provided in the blowout preventer body; (3) a choke line and manifold; (4) a kill line separate from choke line; and (5) a fill-up line.

C. *Intermediate casing.* Before drilling below this string, the blowout prevention equipment shall include a minimum of: (1) Four remote-controlled, hydraulically operated blowout preventers with a working pressure which exceeds the maximum anticipated surface pressure, including at least two equipped with pipe rams, one with blind rams, and one annular type; (2) a drilling spool with side outlets, if side outlets are not provided in the blowout preventer body; (3) a choke line and manifold; (4) a kill line separate from choke line; and (5) a fill-up line.

D. *Testing.*—(1) *Pressure test.* Ram type blowout preventers and related control equipment shall be tested with water to the rated working pressure of the stack assembly, with the exception of the annular type preventer which shall be tested to 70 percent of the rated working pressure. They shall be tested: (a) When installed; (b) before drilling out after each string of casing is set; (c) not less than once each week from each of the control stations; and (d) following repairs that require disconnecting a pressure seal in the assembly.

(2) *Actuation.* While drill pipe is in use, ram type blowout preventers shall be actuated to test proper functioning once each trip, but in no event less than once each day. The annular type blowout preventer shall be actuated on the drill pipe once each week. Accumulators or accumulators and pumps shall maintain a pressure capacity reserve at all times to provide for repeated operation of hydraulic preventers. An operable remote blowout preventer control station shall be provided in addition to the one on the drilling floor.

(3) *Drills.* A blowout prevention drill shall be conducted weekly for each drilling crew to insure that all equipment is operational and that crews are properly trained to carry out emergency duties.

(4) *Records.* All blowout preventer tests and crew drills shall be recorded on the driller's log.

E. *Other equipment.* An inside blowout preventer assembly (backpressure valve) and a full opening drill string safety valve in the open position shall be maintained on the rig floor at all times. Separate valves shall be maintained on the rig floor to fit all pipe in the drill string. A kelly cock shall be installed below the swivel, and a full opening kelly cock of such design that it can be run through the blowout preventers shall be installed at the bottom of the kelly.

3. *Mud program.* The characteristics, use, and testing of drilling mud and the conduct of related drilling procedures shall be such as are necessary to prevent the blowout of any well. Quantities of mud materials sufficient to insure well control shall be maintained readily accessible for use at all times.

A. *Mud control.* Before starting out of the hole with drill pipe, the mud shall be properly conditioned. Proper conditioning requires either circulation with the drill pipe just off bottom to the extent that the annular volume is displaced, or proper documentation in the driller's log prior to pulling the drill pipe that: (1) There was no indication of influx of formation fluids prior to starting to pull the drill pipe from the hole; (2) the weight of the returning mud is not less than the weight of the mud entering the hole; and (3) other mud properties recorded on the daily drilling log are within the specified ranges at the stage of drilling the hole to perform their required functions. In those cases when the hole is circulated, the driller's log shall be so noted.

When coming out of the hole with drill pipe, the annulus shall be filled with mud before the mud level drops 100 feet. A mechanical device for measuring the amount of mud required to fill the hole shall be utilized and any time there is an indication of swabbing, or influx of formation fluids, the necessary safety devices and action shall be employed to control the well. The mud shall not be circulated and conditioned except on or near bottom, unless well conditions prevent running the drill pipe back to bottom.

The hole shall be filled by accurately measured volumes of mud. The number of stands of drill pipe and drill collars that may be pulled between the times of filling the hole shall be calculated and posted. The number of barrels and pump strokes required to fill the hole for this designated number of stands of drill pipe and drill collars shall be posted. For each casing string, the maximum pressure shall be posted that is allowed to build up against the blowout preventer before controlling excess pressure by bleeding through the choke.

The mud in the hole shall be circulated or reverse circulated prior to pulling drill stem test tools from the hole. A degasser shall be employed on all wells. The degasser shall be installed on the mud system prior to the commencement of drilling operations and shall be maintained for use throughout the drilling and completion of the well.

B. *Mud testing equipment.* Mud testing equipment shall be maintained on the drilling rig at all times, and mud tests shall be performed daily, or more frequently, as conditions warrant. The following mud system monitoring equipment must be installed (with derrick floor indicators) and used at the point in the drilling operations when mud returns are established and throughout subsequent drilling operations.

(1) Recording mud pit level indicator to determine mud pit volume gains and losses. This indicator shall include a visual and audio warning device.

(2) Mud volume measuring device for accurately determining mud volumes required to fill the hole on trips.

(3) Mud return indicator to determine that returns essentially equal the pump discharge rate.

(4) Gas detecting equipment to monitor the drilling mud returns.

C. *Mud quantities.* The minimum quantities of mud material necessary at the drill site for emergency use shall be noted on the Application for Permit to Drill. Drilling operations shall be suspended in the absence of the approved minimum quantities of mud materials.

4. *Hydrogen sulfide.* (Provisions of OCS Order No. 14, CFR 39, No. 88, May 6, 1974) will be incorporated in the final form in this Order.

5. *General.* From the time drilling operations are initiated and until the well is completed or abandoned, a member of the drilling crew or the toolpusher shall monitor the rig floor at all times for surveillance purposes, unless the well is secured with Blowout Preventer's or cement plugs.

D. W. SOLANAS,
Oil and Gas Supervisor,
Field Operations.

Approved:

RUSSELL G. WAYLAND,
Chief, Conservation Division.

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PLATFORMS AND STRUCTURES

Proposed OCS Order No. 8, Gulf of Mexico Area

Notice is hereby given that pursuant to §§ 250.11 and 250.19(a) Title 30 of the Code of Federal Regulations, the Chief, Conservation Division, Geological Survey, proposes to revise OCS Order No. 8 as approved October 30, 1970. The proposed revised version is set forth below and is entitled "Platforms and Structures."

The purpose of revised OCS Order No. 8 is to provide updated requirements for operators of oil and gas production platforms and structures in the Gulf of Mexico. Included in the Order are requirements for platform design, application and plan, and operations on platforms and structures.

Comments were received from the National Academy of Engineering and the Offshore Operators Committee on an initial version of revised OSC Order No. 8, dated November 2, 1973, as printed below and entitled "Approval Procedure for Installation and Operation of Platforms, Fixed and Mobile Structures, and Artificial Islands." Comments are now solicited from all interested persons concerning the proposed revision entitled "Platforms and Structures." Interested persons may submit written comments, suggestions, and objections concerning the latter Order to the Director, U.S. Geological Survey, National Center, Mail Stop 101, 12201 Sunrise Valley Drive, Reston, Virginia 22092 on or before July 1, 1974.

The documents appear in the following order:

(1) Draft revision of OCS Order No. 8, dated November 2, 1973, entitled "Approval Procedure for Installation and Operation of Platforms, Fixed and Mobile Structures, and Artificial Islands."

(2) Comments by National Academy of Engineering.

(3) Comments by Offshore Operators Committee.

(4) Proposed revision of OCS Order No. 8 entitled "Platforms and Structures" and submitted herewith for comments.

V. E. MCKELVEY,
Director.

NOTICE TO LESSEES AND OPERATORS OF FEDERAL LEASES IN THE OUTER CONTINENTAL SHELF, GULF OF MEXICO AREA

APPROVAL PROCEDURE FOR INSTALLATION AND OPERATION OF PLATFORMS, FIXED AND MOBILE STRUCTURES, AND ARTIFICIAL ISLANDS

This Order is established pursuant to the authority prescribed in 30 CFR 250.11 and in

acordance with 30 CFR 250.19(a). Section 250.19(a) provides as follows:

(a) The Supervisor is authorized to approve the design, other features, and plan of installation of all platforms, fixed structures, and artificial islands as a condition of the granting of a right of use or easement under Paragraphs (a) and (b) of § 250.18 or authorized under any lease issued or maintained under the Act.

The operator shall be responsible for compliance with the requirements of this Order in the installation and operation of all platforms, fixed and mobile structures, and artificial islands, including all facilities installed on a platform or structure whether or not operated or owned by the operator. Any departures from the requirements specified in this Order must be approved pursuant to 30 CFR 250.12(b).

1. The following requirements are applicable to all platforms approved and installed subsequent to the effective date of this Order, and to all platforms, when structural and equipment modifications are to be made:

A. *General design.* The design of platforms, fixed structures, and artificial islands shall include consideration of such factors as water depth, surface and subsurface soil conditions, wave and current forces, wind forces, total equipment weight, and other pertinent geological, geographical, environmental, and operational conditions.

B. *Application.* The operator shall submit, in duplicate, the following to the appropriate District Office for approval:

(1) *Design features of platform.* Information relative to design features on an 8" x 10½" plat or plats showing the platform dimensions, plan and two elevations, number and location of well slots, and water depth. In addition, the plat shall include:

(a) Nominal size and thickness range of piling, including location of heavy wall piling in relation to base of jacket.

(b) Nominal size and thickness range of jacket column leg.

(c) Nominal size and thickness range of deck column leg.

(d) Design piling penetration and supplemental test pile data.

(e) Maximum bearing and lateral load per pile in tons.

(f) Identification data which shall be the lease number, block number, area, and operator.

(g) The following certification signed and dated with the title of the company representative: "Operator certifies that this platform has been certified by a registered professional engineer and that the structure will be constructed, operated, and maintained as described in the application, and any approved modification thereto. Certified plans are on file at _____".

(2) *Non-design features of platform.* Information relative to non-design features including the following:

(a) Primary use intended, including drilling, production of oil and gas, sulphur, or salt.

(b) Personnel and personnel transfer facilities including living quarters, boat landings, and heliport.

(c) Number and type of decks, such as steel or wood, and whether coated with protective material.

(d) Method of protection from corrosion.

(3) *Design features of production facilities.* Information relative to design features including the following, shall be submitted in triplicate prior to installation:

(a) Production facilities including separators, treaters, storage tanks, compressors, line pumps, and metering devices.

(b) A flow diagram showing safety and pollution control equipment and features including a legend which specified the function and sequence of operation.

(c) A piping diagram showing welding specifications.

(d) A diagram of firefighting system.

(e) Electrical system information shall include the following:

(i) Plan view of each platform deck outlining any non-hazardous area—areas which are unclassified with respect to electrical equipment installations, and areas in which potential ignition sources, other than electrical, are to be installed. The area outline should include the following.

a. Any surrounding production or other hydrocarbon source and a description of deck, overhead and firewall.

b. Location of generators, control rooms, panel boards, major cabling/conduit routes and identification of wiring method.

(ii) One line electrical schematic which includes the following information:

a. Type, rating and the operating and safety controls of generators and prime movers.

b. Main generator switchboard including interlocks, controls and indicators.

c. Feeder and branch circuits, including circuit load, wire type and size, motor running protection and circuit breaker setting.

d. Calculation or measurement of electrical system voltage drop caused by starting current of largest motor while normal load operating conditions exist.

(iii) Elementary electrical schematic of any platform safety/shut-down system with functional legend.

C. *Certified plan.* Detailed structural plans certified by a registered professional engineer shall be on file and maintained by the operator or his designee.

2. *Safety and pollution control equipment and procedures.* A. The following requirements shall apply to all platforms: Operators of platforms installed prior to the effective date of this order shall comply with the requirements of the following subparagraphs (1)(g), (1)(j), (2)(d), (3)(e), and (3)(f) within six months, and with the requirements of the following subparagraphs (1)(a), (1)(e), (1)(h), (1)(i), and (4) within one year from the effective date of this order. Any safety device on wells, vessels and pipelines temporarily out of service shall be flagged. Safety devices and systems on wells which are capable of producing shall not be bypassed or locked out of service unless absolutely necessary and then only with personnel in immediate attendance.

(1) The following shut-in devices shall be installed and maintained in an operating condition on all vessels and water separation facilities when such vessels and separation facilities are in service.

(a) All separators shall be equipped with high-low pressure shut-in sensors, low level shut-in controls and a relief valve which is piped through a scrubber prior to atmospheric discharge. Relief valve piping shall be sized such that it will not restrict the relief area. High liquid level control devices shall be installed when the vessel can discharge to a flare.

(b) All pressure surge tanks shall be equipped with a high and low pressure shut-in sensor, a high level shut-in control, flare line, and relief valve.

(c) All atmospheric tanks including oil production tanks, surge tanks, sump tanks, etc., shall be equipped with a high level shut-in control.

(d) All other hydrocarbon handling pressure vessels shall be equipped with high-low pressure shut-in sensors, high-low level shut-in controls and relief valves.

(e) The following requirements shall apply to all fired vessels:

(i) Audible alarms which may be disabled during trouble shooting and subsequent corrective operations are permissible; but these alarms shall not be capable of remaining in the disabled state once normal operations are restored.

(ii) All sensors and monitors will respond to an abnormal condition by automatically:

1. Shutting off fuel supply, and

2. Providing audible and visible alarms, and

3. Shutting in production.

(iii) The controls of electrical equipment necessary for proper operations shall be interlocked in startup/shutdown sequence.

(iv) Fuel supply lines to the main and pilot burners shall also be equipped with manually operated shut-off valves.

(v) The main and pilot burners shall be equipped with flame monitors.

(vi) The exhaust stack shall be equipped with a spark arrestor.

(vii) Natural draft combustion chambers shall be equipped with a flame arrestor.

(viii) Forced draft combustion chambers shall be equipped with a combustion air pressure monitor.

(ix) Indirect heaters shall be equipped with temperature and low level sensors for the heat exchange fluid.

(x) A separator shall be installed in the Glycol return line on all Glycol dehydration units.

(xi) A safety relief valve, with an external test port, set at or below the working pressure of the system shall be installed on the heater, each exchanger, and the expansion tank. The expansion tank shall be additionally equipped with another safety vent set at 5 percent above the working pressure of the tank.

(xii) Steam generators shall be equipped with pressure relief valves and high and low water level controls.

(xiii) All relief valves and vents shall be piped in such a way as to preclude any danger of hot fluid striking personnel or ignition sources.

(xiv) A detailed standard operating procedure shall be posted in a prominent location near the controls of the unit, and all personnel shall be trained to properly operate the unit.

(f) All relief valves shall be set no higher than 5 percent above the rated or designated working pressure of the vessel. The high pressure shut-in sensor shall be set no higher than the rated or designed working pressure. The low pressure shut-in sensor shall be set no lower than 15 percent below the lowest pressure in the operating pressure range.

(g) All pressure sensors shall be the non-automatic reset type and shall be equipped to permit testing with an external pressure source.

(h) All flare lines shall be equipped with a scrubber with high level shut-in control.

(i) Surge tanks, fuel tanks, and all hydrocarbon storage tanks shall be equipped with an automatic shut-in valve located in the suction line immediately adjacent to the tank. Such valve is to be activated by pump shut-down controls and the emergency shut-down system.

(j) All engine exhaust shall be insulated and piped away from fuel sources. Exhaust piping from diesel engines shall be equipped with spark arrestors.

(k) All pressure or fired vessels used in the production of oil or gas shall conform to the requirements stipulated in the latest editions of The ASME Boiler and Pressure Vessel Code, Sections I and VIII, as appropriate.

(2) The following remote and local automatic shut-in devices shall be installed and maintained in an operating condition at all times when the affected well (or wells) is capable of producing.

(a) All wellhead assemblies shall be equipped with an automatic fail-close surface safety valve. Wells completed after the effective date of this Order shall be equipped

with the surface safety valve as an integral part of the christmas tree, but not located on the wing valves.

(b) All flowlines from wells shall be equipped with high-low pressure sensors located downstream of the well choke. In the case where there is more than 10 feet of line between the wellhead and the choke, a low-pressure sensor shall be installed in this section. The high pressure sensor shall be set no higher than 10 percent above the highest pressure in the operating range of the line. In all cases, the setting of this sensor shall be set at least 50 psi below the shut-in pressure of the well. The low pressure sensor shall be set no lower than 10 percent below the lowest pressure in the operating range of the line.

(c) All headers shall be equippped with check valves on the individual flowlines. On wells completed after the effective date of this Order, the flowline and valves from each well located upstream of, and including, the header valves shall withstand the shut-in pressure of that well. If there is an inlet valve to a separator, the valve, flowline, and all equipment upstream of the valve shall also withstand shut-in wellhead pressure.

(d) On all gaslift wells, a check valve shall be installed on the gas input line to the casing.

(e) All pneumatic shut-in control lines shall be equipped with fusible material at strategic points.

(f) Remote shut-in controls shall be located on the helicopter deck and all exit stairway landings, including at least one on each boat landing. These controls shall be quick-opening valves, except that those on the boat landing may be a plastic loop.

(g) A complete testing and inspection of the safety system shall be witnessed by the Geological Survey representatives at the time production is commenced. Thereafter, the operator shall be prepared to conduct a witnessed platform inspection as frequently as requested by the Geological Survey.

(h) A standard procedure for testing of safety equipment shall be prepared and posted in a prominent place on the platform.

(3) The safety devices required in (1) and (2) above shall be tested as follows and records maintained in the field for a period of one year showing the present status and past history of each device including dates and details of inspection, testing, repairing, adjustment and reinstallation. Such records shall be available to any authorized representatives of the Geological Survey.

(a) All relief valves shall be tested for operation annually; bench tests shall be witnessed by U.S.G.S. personnel or certified by a third party.

(b) All pressure sensors shall be tested at least once within each calendar month. At no time will there be a period of more than 6 weeks between tests. Any sensor which consistently varies more than 3 percent from its set pressure shall be repaired or replaced.

(c) All automatic wellhead safety valves and check valves on all flowlines shall be checked for operation and holding pressure at least once in each calendar month. For any valve which these monthly tests indicate a shorter time interval is needed, such a shorter interval shall be instituted. In no case shall a period of more than 6 weeks lapse between tests.

(d) All liquid level shut-in controls shall be tested at least once within a calendar month. At no time will there be a period of more than 6 weeks between tests. When internal float type level shut-in controls are utilized, adequate piping for raising or lowering the liquid level in the vessel must be installed to facilitate adequate testing of high and low liquid level shut-in controls.

(e) Automatic inlet shut-off valves actuated by a sensor on a vessel or a compressor shall be tested for operation at least once within each calendar month, with a maximum of 6 weeks between tests.

(f) Automatic shut-off valves located in liquid discharge lines and actuated by vessel low level sensors shall be tested for operation once within each calendar month, with a maximum of 6 weeks between tests.

(4) Curbs, gutters, and drains shall be constructed in all deck areas in a manner necessary to collect all contaminants, unless drip pans or equivalent are placed under equipment and piped to a sump which will automatically maintain the oil at a level sufficient to prevent discharge of oil into Gulf waters.

Sump piles or open ended sumps shall be used to collect only produced water and liquids from drip pans and deck drains. Closed sumps or sump transfer tanks shall be equipped with a high level shut-in device.

(5) The following requirements shall apply to the handling and disposal of all produced water discharged into the Gulf of Mexico. The disposal of water other than into the Gulf waters shall have the method and location approved by the Supervisor.

(a) Water discharged shall not create conditions which will adversely affect the public health or the use of the waters for the propagation of aquatic life, recreation, navigation, or other legitimate uses.

(b) Produced waste water disposal systems shall be designed and maintained so that the effluent shall meet the following requirements:

(i) Oil content to average not more than fifty (50) ppm (vol./vol.) to be determined by the Infrared or Fluorometric Methods. A copy of the method to be used must be submitted to this office for the Supervisor's approval. The Supervisor may approve the use of other methods, if the method to be used at a location is shown to be reliable under the conditions existing at that location.

(ii) pH range of 6.0 to 9.0 to be determined by the procedure in Standard Methods, 13th Edition, p. 276, Method 144A (1971).

(c) Discharged produced waste water will be sampled, analyzed, and the results recorded once each month to determine if the requirements under (b) are being met as follows:

(i) Four samples shall be collected over a 24 hour period with at least three hours time between samples. Samples shall be gathered at an accessible point prior to discharge where a representative sample may be taken before contact with seawater. Samples shall be taken at intervals of not less than three nor more than six weeks.

(ii) Analysis of the effluent sample shall be completed within two weeks of collection or a new set of samples must be taken.

(iii) When the sample is taken, the date, time of day, temperature of discharge, and discharge in bbls/day shall be recorded. This information along with the analysis results will be reported on Form OCS 7 dated October 1972.

(iv) A copy of the latest analysis results must be maintained at the discharge site or field production headquarters.

(v) For each produced waste water discharge point, a quarterly report of the Monthly Analysis results shall be submitted to the Area Office. The first such report shall be due in January 1974. Thereafter, reports shall be submitted in January, April, July, and October of each calendar year.

(d) Should analyses indicate the effluent does not meet the requirements of (b)(1) and/or (b)(2), operations shall not be continued without the appropriate District Engineer's approval. Approval to continue operations shall be given only to aid in the identification and remedy of the problem. Such approval shall be contingent upon the submittal of a follow-up report to the appropriate District Office within ten (10) days.

(6) A fire fighting system shall be installed and maintained in an operating condition in accordance with the following:

(a) A fixed automatic water spray system shall be installed in all inadequately ventilated wellhead areas as these areas are defined in paragraph 9 of API RP 500A. These systems shall be installed in accordance with the most current edition of National Fire Protection Association's Pamphlet No. 15.

(b) A firewater system of rigid pipe with fire hose stations shall be installed and may include a fixed water spray system. Such a system shall be installed in a manner necessary to provide needed protection in areas where production handling equipment is located. A firefighting system using chemicals may be used in lieu of a firewater system if determined to provide equivalent fire protection control.

(c) Pumps for the firewater systems shall be inspected and test-operated weekly. A record of the tests shall be maintained in the field for a period of one year. An alternate fuel or power source shall be installed to provide any continued pump operation during platform shutdown unless an alternate firefighting system is provided.

(d) Portable fire extinguishers shall be located in the living quarters and in other strategic areas.

(e) A diagram of the firefighting system showing the location of all equipment shall be posted in a prominent place on the platform.

(7) An automatic gas detector and alarm system shall be installed and maintained in an operating condition in accordance with the following:

(a) Gas detection systems shall be installed in all enclosed areas containing gas production facilities or equipment. Gas detectors shall be installed in all enclosed areas where fuel gas is used; the use of fuel gas odorant is an acceptable alternate.

(i) In meter houses where adequate ventilation is used in lieu of a gas detector installation, ventilation shall be by natural draft at a rate not less than one enclosure air change per 5 minutes.

(b) All gas detection systems shall be capable of continuously monitoring for the presence of combustible gas in the areas in which the detection devices are located. To accomplish this the gas detector power supply must be from a continually energized power source.

(c) The central control shall be capable of giving an alarm at a point not greater than 25 percent of the lower explosive limit of the gas or vapor being monitored. This low level shall be for alarm purposes only.

(d) A high level setting of not more than 75 percent of the lower explosive platform limit of the gas or vapor being monitored shall be used for platform shut-in sequences and the operation of emergency equipment.

(e) Gas detection systems shall be maintained according to manufacturers specification and records of maintenance and recalibration shall be maintained in the field and made available to any authorized representative of the Geological Survey. The system shall be tested for operation and recalibrated at least semi-annually.

(f) An application for the installation and maintenance of any gas detection system shall be filed with the appropriate District office. The application shall include the following:

(i) A diagram of the gas detection system including: type, location, and number of detection or sampling heads.

(ii) The frequency of calibration and maintenance recommended by the manufacturer.

(iii) A schematic diagram showing the electrical power sources and connections and the electrical connections of the alarm and shut-in circuitry.

(g) A diagram of the gas detection system showing the location of all gas detection points shall be posted in a prominent place at the platform.

(8) The following requirements shall be applicable to all electrical equipment and systems installed:

(a) All engines shall be equipped with low-tension ignition systems containing rigid connections and shielded wiring which shall prevent the release of sufficient electrical energy under normal or abnormal conditions to cause ignition of a combustible mixture.

(b) All electrical generators, motors and lighting systems shall be installed, protected, and maintained in accordance with the most current edition of the National Electrical Code and API RP 500A and B, as appropriate.

(c) Wiring methods approved by National Electrical Code or IEEE 45 are acceptable installations.

(d) An auxiliary power supply shall be installed to provide emergency power capable of operating all electrical equipment required to maintain safety of operations and of the personnel involved in the event of a failure in the primary electrical power.

(9) Secondary sewage disposal systems shall be installed and used in all cases where sewage is discharged into the Gulf of Mexico. Sewage is defined as water containing liquid and solid wastes from toilets and other receptacles intended to receive or retain body wastes.

(a) Sewage disposal systems shall be designed and maintained so that the effluent shall meet the following requirements:

(i) A capacity of 50 GPD per man, based on normal location occupancy.

(ii) Biochemical oxygen demand (BOD5) of 50 ppm or less to be determined by the procedure in Standard Methods, 13th Edition, p. 489, Method 219, (1971).

(iii) Suspended solids of 150 mg/L to be determined by the procedure in Standard Methods, 13th Edition, p. 537, Method 224C.

(iv) Minimum chlorine residual of 1.0 mg/L to be determined by the procedure in Standard Methods, 13th Edition, p. 382, Method 204A or 204B.

(b) Effective the date of this Order all structures where sewage effluent is discharged into the Gulf of Mexico will comply with the following:

(i) Sewage treatment systems must be tested, analyzed, and the results recorded semi-annually to determine if the requirements under (a) are being met.

(ii) All sewage treatment systems installed after the date of this Order, shall be tested thirty (30) days after installation and semi-annually thereafter as provided above.

(iii) A copy of the most recent laboratory analysis of the system effluent must be maintained on the platform or drilling rig.

(iv) The semiannual sewage effluent analysis results are to be sent to the Supervisor on January first and July first of each calendar year. The first such report will be due January 1, 1974.

(v) Should analysis indicate that the effluent does not meet the requirements of (a), immediate corrective action shall be taken.

(10) A program of erosion control shall be in effect on wells having a history of flowline cutout due to sand production. The erosion control program may include sand probes, X-ray, ultra-sonic or other satisfactory monitoring methods. A report on the results of the program shall be submitted to the appropriate District Office annually.

B. As of the effective date of this Order, production operations shall not be conducted on any platform while drilling and completion operations are in progress at that location.

C. Welding practice and procedures. The following requirements shall apply to all structures, including mobile drilling and workover structures, as applicable. The period of time during which these requirements are considered applicable to mobile drilling structures is the interval from the drilling out of the drive conductor or shoe of the casing until the B.O.P. stack and the marine riser are pulled in the final abandonment or suspension. These requirements shall apply to workover rigs whenever such rigs are performing remedial work on any wells open to hydrocarbon bearing zones. For the purpose of this Order, the term "welding and burning" is defined to include arc or acetylene welding and arc or acetylene cutting. Operators on the OCS shall establish an approved welding area on all new and existing structures. Such areas should be constructed of non-combustible or fire-resistant materials, free of combustible and flammable contents and suitably segregated from adjacent areas. NFPA Bulletin No. 51B "Cutting and Welding Processes 1971", should be used as a guide to designate this approved welding area. All welding that is required but that cannot be prudently done in the approved welding area, shall be performed in compliance with the procedure outlined below.

(1) All welding and burning shall be minimized.

(2) Such welding and burning as is necessary on a structure, shall adhere to the following practices:

(a) Prior to the commencement of any burning or welding operations on a structure, the senior person in charge at the installation shall personally inspect the qualifications of the welder or welders to insure they are properly certified by a recognized testing agency, and shall personally inspect the area in which the work is to be performed. After this person has determined the welder or welders are qualified and that it is safe to proceed with the welding or burning operation, he shall issue a written authorization for the work.

(b) All welding equipment shall be inspected prior to the commencement of any burning or welding to insure the welding machines are equipped with spark arrestors and drip pans; welding leads are completely insulated and in good condition; oxygen and acetylene bottles are secured in a safe place; and the hoses are leak free and equipped with proper fittings, gauges and regulators.

(c) During all welding and burning operations, one or more persons as necessary shall be designated as a "fire watch". Persons assigned to "fire watch" shall have no other duties while so assigned.

(d) Prior to any welding or burning, the fire watch shall have in his possession fire-fighting equipment in a condition ready for immediate use.

(e) No welding shall be done on containers, tanks, or other vessels which have contained a flammable substance, unless they have been certified to be free of residual combustible material by a certified marine chemist, or rendered inert.

(f) No welding shall be permitted during wireline operations.

(g) All production will be shut-in at the surface safety valves while welding or burning in the wellhead or production area.

(h) In cases of extensive production facilities modifications, the operators should complete the maximum amount of fabrication onshore prior to offshore installation.

(i) No welding or burning shall be done after darkness on a production facility except in an emergency situation.

D. The requirements of sub-paragraphs 2.A (4), 2.A(8), 2.A(9), 2.B, and 2.C shall apply to all mobile drilling structures used to conduct drilling or workover operations on Federal leases in the Gulf of Mexico.

NATIONAL ACADEMY OF ENGINEERING, MARINE BOARD, REVIEW COMMITTEE ON SAFETY OF OUTER CONTINENTAL SHELF PETROLEUM OPERATIONS, JANUARY 1974

Proposed revision to OCS Order No. 8. "Approval Procedure for Installation and Operation of Platforms, Fixed and Mobile Structures, and Artificial Islands"

A Review Committee member reviewed the USGS draft revision of OCS Order No. 8 in order to extend the Order to caisson-type structures, and noted the API RP2A ("API Recommended Practice for Planning, Designing, and Constructing Fixed Offshore Platforms"), developed both within industry and with help from outside engineers, represents a sound and objective approach being followed by industry worldwide. His proposed revisions to the Order, as approved by the Committee, are as follows:

OCS Order No. 8, page 2. To end of first paragraph add sentence "This should include consideration of scour, mudslide, liquefaction." For items B(1) and B(2) through middle of page 3 substitute the following:

B. *Application.* The operator shall submit, in duplicate, the following to the appropriate District Office for approval:

(1) *Design features of the platform.* Information relative to design features on an 8" x 10½" plat or plats showing the platform dimensions, plan and two elevations, number and location of well slots, and water depth. In addition, the plat shall include:

(a) Identification data which shall be the lease number, block number, area, and operator.

(b) The following certification signed and dated with the title of the company representative: "Operator certifies that this platform has been certified by a registered professional engineer and that the structure will be constructed, operated, and maintained as described in the application, and any approved modification thereto. Certified plans are on file at _____".

(c) For template and jacket type platforms, the provisions of the current edition of API RP2A shall be followed. In addition, the following information shall be furnished:

(i) Nominal size and thickness range of piling, including location of heavy wall piling in relation to base of jacket.

(ii) Nominal size and thickness range or jacket column leg.

(iii) Nominal size and thickness range of deck column leg.

(iv) Design piling penetration and supplemental test pile data.

(v) Maximum bearing and lateral load per pile in tons.

(d) For caisson-type structures, the provisions of the current edition of the Federation Internationale de la Precontrainte's "Recommended Practice for Design of Concrete Sea Structures" shall be followed. In addition, the following information shall be furnished:

(i) General configuration and dimensions of structure including thickness range of external concrete shell.

(ii) Design level of founding of caisson base.

(iii) Maximum bearing pressures on soil.

(iv) Safety measures against overturning and sliding.

(v) Special provisions to prevent scouring (both erosion and tunnelling).

(2) *Non-design features of platform.* Information relative to non-design features include the following:

(a) Primary use intended, including drilling, production of oil and gas, sulfur, or salt.

(b) Personnel and personnel transfer facilities including living quarters, boat landings, and heliport.

(c) Number and type of decks, such as steel or wood, and whether coated with protective material.

(d) Method of protection from corrosion.

(e) Insurance that protective coatings will not cause excessive local toxicity.

A more general review and appraisal of this Order will be addressed in subsequent correspondence.

The final input by the National Academy of Engineering in April 1974 was as follows:

Following the November meeting of the Review Committee on Safety of Outer Continental Shelf Petroleum Operations in Metairie, Louisiana, discussions were held with Mr. Krahl of the USGS Office regarding the possibility of a general review of OCS Order No. 8 by the Review Committee.

Subsequently, selected members of the committee reviewed the Order and found it, on the whole, well executed, noting particularly that it placed the responsibility for inspection and reporting on the operators.

However, upon its review, at which time your office was represented by Mr. Radlinski and Mr. Krahl, the committee as a whole felt the need for an in-depth reappraisal of three specific passages in the OCS Order No. 8, as noted by the following comments:

Page 6, para. 2A(1)(a). The requirement that a relief valve be vented through a scrubber should be reconsidered, and its benefits from the standpoint of safety and pollution should be identified.

Page 12, para. 2A(3)(b). The requirement for monthly pressure sensor tests is reasonable in light of the regulations which require subsurface safety valves to be tested on the same time frequency, but some consideration should be given to the required tolerance, because the proposed tolerance appears to be lower than is required for safety.

Page 23, para. 2B. The provision that "production operations not be conducted on any platform while drilling and completion operations are in progress at that location" may be more severe than is necessary to insure safety.

In this connection, the committee proposed that, instead of an inflexible proscription of such simultaneous operations, consideration should be given to formulating regulations and specifying conditions under which production operations could be continued safely while drilling and completion operations are in progress.

In making these recommendations, committee members are not suggesting that the three passages under consideration be stricken from OCS Order No. 8 or revised arbitrarily. It is strongly recommended, however, that a careful reconsideration of the implications of these specific passages will contribute to the already high quality of the Order, thus enhancing its effectiveness.

GEORGE F. MECHLIN,
Chairman, Review Committee on Safety of Outer Continental Shelf Petroleum Operations.

OFFSHORE OPERATOR COMMITTEE'S COMMENTS ON PROPOSED ORDER NO. 8

Page 1, Paragraph 1.—Suggested wording. Only information relevant to the installation or modification on installed platforms and on all new platforms need be submitted.

Rationale. For example, addition of a flow line should not trigger a requirement to submit an electrical schematic for the platform.

Page 1, Paragraph 1.A.—Suggested wording. API RP 2A, Recommended Practice for Planning, Designing, and Constructing Fixed Offshore Platforms, contains information relevant to platform design.

Rationale. On the whole the orders should recognize industry or consensus standards where available.

Page 2, Paragraph 1.B.(1)(d).—Suggested wording. Design piling penetration and supplemental test pile data. Omit underlined portion of sentence.

Rationale. The above deletion is suggested since soil borings are now used in lieu of test piles to give sufficient information on which to base piling design.

Page 3, Paragraph 1.B.(3).—Suggested wording. Information relative to design features as follows shall be submitted in duplicate (rather than triplicate) prior to installation.

Rationale. Substituting "duplicate" for the word "triplicate" is suggested to reduce the chances of confusion and errors, since all other submissions are in duplicate.

Page 3, Paragraph 1.B.(3)(a).—Suggested wording. Utilize the wording "A flow schematic showing size, capacity and design working pressure" to clarify the description of separators, treaters, etc.

Rationale. This suggested clarification is required to define a suitable reporting medium.

Page 3, Paragraph 1.B.(3)(b).—Suggested wording. Utilize "a schematic diagram" rather than a "flow diagram" showing pollution and safety control equipment identified according to nomenclature (Definition, Symbols and Identification) contained in API Recommended Practice 14C.

Rationale. The above suggested change was made to insure that all operators use common symbols and nomenclature.

Page 4, Paragraph 1.B.(3)(c).—Suggested wording. Utilize the words "a schematic piping diagram showing design working pressure."

Rationale. This paragraph was reworded to clarify the requirement used in fabrication of the system.

Page 4, Paragraph 1.B.(3)(e).—Suggested wording. Electrical system information shall include the following:

(i) Plan view of each platform deck outlining unclassified areas as defined in the National Electrical Code or API RP 500B as appropriate.

(ii) An electrical schematic indicating the location of generators, control rooms and panel boards.

(iii) Elementary electrical schematic of any platform safety/shutdown system with functional legend.

Rationale. Many of the requirements, especially 1.B(3)(e)(ii), a through d are much too detailed for the permitting phase of most platforms.

Page 5, Paragraph 2.A.—Suggested wording. This paragraph was reworded to redefine the time limit for installation required by paragraph (1)(j) from six months to one year.

Rationale. Due to the shortage of materials and consequent long delivery times it may not be possible to get the insulating material within the six-month interval.

Page 6, Paragraph 2.A.(1)(a).—Suggested wording. All separators shall be equipped with low level shut-in controls. High liquid level control devices shall be installed when the vessel can discharge to a flare.

Rationale. The requirement to pipe the discharge from all pressure relief valves on separators to a scrubber prior to atmospheric discharge was deleted because it was considered extreme and unnecessary.

Page 6, Paragraph 2.A.(1)(d).—Suggested wording. Reworded to allow several vessels not isolated from each other by valves to be considered as one unit.

Rationale. The lowest working pressure of any component in the array of vessels determines the working pressure of the system. This is accepted engineering practice under the ASME Boiler and Pressure Vessel Code.

Page 6, Paragraph 2.A.(1)(e).—Suggested wording. All gas fired production vessels shall be installed, maintained and operated in accordance with applicable portions of API Recommended Practice 14C.

Rationale. The Recommended Practice speaks to each of the above 14 requirements with more clarity and detail than does the proposed order.

Page 7, Paragraph 2.A.(1)(e)(v).—Suggested wording. A flame detector should be installed to determine if the pilot is adequate to light the main burner; and, on vessels in which the pilot is not lighted continuously, indicates a main burner flame failure.

Rationale. This paragraph to more adequately describe the function of the sensor system on both the main and pilot burners.

Page 7, Paragraph 2.A.(1)(e)(vi).—Suggested wording. The exhaust stack of natural draft heaters shall be equipped with spark arrestors.

Rationale. Forced draft heaters burn efficiently; therefore, carbon is not expected to form in the exhaust stack, thus obviating the need for a spark arrestor.

Page 7, Paragraph 2.A.(1)(e)(vii).—Suggested wording. Natural draft air intakes shall be equipped with a flame arrestor.

Rationale. The flame arrestor is on the air intake to the combustion chamber not *on* the combustion chamber.

Page 7, Paragraph 2.A.(1)(e)(viii).—Suggested wording. Forced draft burners shall be equipped with a low pressure or low flow rate sensor to detect an inadequate air supply.

Rationale. Reworded in an attempt to better define the requirement; many vessels are equipped with flow rate sensors rather than pressure sensors yet the original wording recognized only the pressure type.

Page 8, Paragraph 2.A.(1)(e)(ix).—Suggested wording. Preferred wording—Vessels in which the media in contact with the fire tubes is not the primary product to be heated shall be protected by temperature and low level sensors in the heat exchange media stream.

Rationale. Reworded to define indirect heaters and point out function of protection systems.

Page 8, Paragraph 2.A.(1)(e)(x).—Suggested wording. The paragraph "A separator shall be installed in the glycol return line on all glycol dehydration units." was removed from this section and placed in the order as paragraph 2.A.(1)(e).

Page 8, Paragraph 2.A.(i)(e)(xi).—Suggested wording. Pressure relief valves shall be designed, installed and maintained in accordance with applicable provisions of Sections I, IV, and VIII of the ASME Boiler and Pressure Vessel Code.

Rationale. This code provides better and more complete definition of requirements, and will be updated as necessary.

Page 8, Paragraph 2.A.(1)(e)(xii).—Suggested wording. Steam generators shall be equipped with low water level controls in accordance with applicable provisions of Sections I and IV of the ASME Boiler and Pressure Vessel Code.

Rationale. Compliance with ASME codes is requested for reasons stated previously. High water level poses no problem.

Page 8, Paragraph 2.A.(1)(e)(xiii).—Suggested wording. All relief valves and vents shall be piped in such a manner as to minimize the possibility of hot fluid striking personnel or ignition sources.

Rationale. The word "preclude" was changed to "minimize the possibility of" because it was believed to be unrealistic.

Page 8, Paragraph 2.A.(1)(e)(xiv).—Suggested wording. An operating procedure shall be posted in a prominent location near the controls of the unit and personnel responsible for the unit's operation shall be properly trained.

Rationale. This change was necessary because "all personnel" is too vague and too broad.

Page 9, Paragraph 2.A(1)(f).—Suggested wording. All relief valves shall be set to start relieving at the design working pressure of the vessel and shall be sized to prevent the pressure from rising more than 10 percent above the design working pressure of the vessel, or as otherwise provided by Section VIII, ASME Boiler and Pressure Vessel Code. The high pressure shut-in sensor shall be set no higher than the design working pressure. The low pressure shut-in sensor shall be set no lower than 15 percent or 5 psi, whichever is greater, below the lowest pressure in the operating range.

Rationale. Here again compliance with ASME codes is suggested for reasons stated previously.

Page 9, Parargaph 2.A(1)(g).—Suggested wording. Pressure sensors may be of the automatic or non-automatic reset type. However, where the automatic reset types are used a non-automatic reset relay must be installed. All pressure sensors shall be equipped to permit testing with an external pressure source.

Rationale. The proposed change in wording would permit continued use of automatic reset sensors, together with suitable lockout relays, which have proven to be highly reliable.

Page 9, Paragraph 2.A.(1)(i).—Suggested wording. Surge tanks and all hydrocarbon storage tanks shall be equipped with an automatic fail close shut-in valve located in the pump suction line. Such valve is to be activated by pump shutdown controls and the platform emergency shutdown system.

Rationale. Leaks in the suction line to the pump are highly unlikely. Therefore, placement of the shut-in valve in the suction line can be near the pump instead of necessarily placing it near the tank.

Page 9, Paragraph 2.A.(1)(j).—Suggested wording. All engine exhausts with temperatures greater than 400° F. shall be insulated and piped away from fuel sources. Exhaust piping from diesel engines shall be equipped with spark arrestors.

Rationale. Less than 400° F. exhaust temperatures is below the auto ignition temperature; therefore, this condition should exempt the requirement for insulating the exhaust. This is in accordance with "National Fire Protection Association Manual No. 325–M," entitled "Fire Hazard Properties of Flammable Liquids, Gases, Volatile Solids," 1969.

Page 9, Paragraph 2.A.(1)(k).—Suggested wording. All pressure or fired vessels used in the production of oil or gas installed after the effective date of this Order shall conform to the requirements stipulated in the edition of the ASME Boiler and Pressure Vessel Code; Sections I, IV, and VIII. Uncoded vessels now in use shall be hydrostatically tested to a pressure 1.5 times their normal working pressure.

Rationale. Some provision should be made for those uncoded vessels installed prior to the date of the Order.

Page 10, Paragraph 2.A.(2).—Suggested wording. The following remote and local automatic shut-in devices shall be installed and maintained in an operating condition plug" was substituted.

Rationale. "Capable of producing" is a phrase which is open to different interpretation; therefore, "does not contain a tubing at all times when the affected well does not contain a tubing plug and is connected to producing facilities.

Page 10, Paragraph 2.A.(2)(a).—Suggested wording. All wellhead assemblies shall be equipped with an automatic fail-close surface safety valve. All new wells drilled and completed after the effective date of this Order shall be equipped with the surface valve installed in the vertical run of the christmas tree.

Rationale. The requirement that the surface safety valve be "not located on the wing valve" was changed to "installed in the vertical run of the christmas tree" was done to clarify the wording. Also, the operator may have a surface safety valve in the wing of the tree, in addition to the vertical run of the tree if he so desires.

Page 10, Paragraph 2.A.(2)(b).—Suggested wording. All flowlines from wells shall be equipped with high-low pressure sensors located downstream of the well choke. If there is more than 10 feet of line between the wing valve and the choke, a low pressure sensor shall be installed in this section. The high pressure sensor shall be set no higher than 10 percent above the highest pressure in the operating range of the line, but shall not exceed the shut-in pressure of the well or gas lift supply pressure, whichever is greater. The low pressure sensor shall be set no lower than 10 percent or 5 psi, whichever is greater, below the lowest pressure in the operating range of the line.

Rationale. The above wording brings in the effect of gas lift wells, in addition to wells on natural flow. The phrase "or gas lift supply pressure, whichever is greater" was added to better define the high pressure sensor setting.

Page 11, Paragraph 2.A(2)(c).—Suggested wording. All headers shall be equipped with check valves on the individual flowlines. The flowline and valves from each well located upstream of, and including, the header valves shall withstand the shut-in pressure of that well, unless protected by a relief valve with connections to bypass the header. If there is an inlet valve to a separator, the valve, flowline, and all equipment upstream of the valve shall also withstand shut-in wellhead pressure, unless protected by a relief valve with connections to bypass the header.

Rationale. The main reason for the above change is the inclusion of an inlet valve to the separator and provision for handling the safety equipment for this situation.

Page 11, Paragraph 2A.(2)(c).—Suggested wording. All pneumatic shut-in systems shall be equipped with fusible material at strategic points.

Rationale. In this paragraph "control lines" was changed to "systems" for better definition.

Page 12, Paragraph 2.A.(2)(h).—Suggested wording. A standard procedure for testing of safety equipment shall be on the platform.

Rationale. There appears to be no reason for posting testing procedures but rather that testing procedures be on the platform in a facilities operations and maintenance manual.

Page 12, Paragraph 2.A.(3).—Suggested wording. No change except that records shall be maintained in the field headquarters.

Rationale. The phrase "maintained at the field" was expanded to read "maintained in the field headquarters." This added word was necessary since the place of recordkeeping for a field might be in another field which is serving as the "headquarters" for several fields.

Page 12, Paragraph 2.A.(3)(a).—Suggested wording. All pressure relief valves shall be tested for operation annually. Pressure relief valves shall either be bench tested or equipped to permit testing with an external pressure source. Bench tests shall be witnessed by USGS personnel or certified by a third party.

Rationale. The word "pressure" was added preceding "relief valve" to clearly identify the function of a relief valve.

The original USGS version inferred that bench testing was the only acceptable means for relief valve testing. The sentence "Pressure relief valves shall either be bench tested or equipped to permit testing with an external pressure source" was added for clarity.

Page 12, Paragraph 2A.(3)(b).—Suggested wording. The set point of each pressure sensor shall be determined by test once each calendar month, but at no time shall more than six weeks elapse between tests. Pressure sensors which vary more than ±10 percent or 5 psi, whichever is greater, shall be adjusted to the desired set point. However, the trip point of a high pressure sensor shall be less than the relief valve-setting or the design working pressure of the equipment, whichever is lower. Sensors which consistently vary more than the above tolerances shall be repaired or replaced.

Rationale. The higher tolerance recommended of "10 percent or 5 psi, whichever is greater" fits within practical limits of equipment and gauges and does not detract from the integrity of the safety system.

Page 13, Paragraph 2.A.(3)(c).—Suggested wording. All automatic wellhead safety valves and check valves on all flowlines shall be checked for operation and holding pressure once each calendar month but at no time shall more than 6 weeks elapse between tests. For any valve which these monthly tests indicate a shorter time is needed, such a shorter interval shall be instituted. If sustained liquid flow exceeds 400 cc/min. or gas flow exceeds 15 cubic feet/min. the valve shall be repaired or replaced.

Rationale. This revision refers to quantifying testing. The sustained leakage rates are considered to be holding pressure unless the leakage rates exceed 400 cc of gas/min. and 15 cu. ft. of oil/min. as set forth in OCS Order No. 5 for testing tubing plug.

Page 13, Paragraph 2.A.(3)(d).—Suggested wording. All liquid level shut-in controls shall be tested at least once within each calendar month. At no time will there be a period of more than 6 weeks between tests. When internal float type level shut-in controls are utilized on flare line scrubbers and atmospheric tanks, adequate piping for raising or lowering the liquid level in the vessel must be installed within one year from the effective date of this Order to facilitate adequate testing of high and low liquid level shut-in control.

Rationale. Raising or lowering the liquid level in a vessel with internal floats to test the liquid level shut-in controls is impractical. The new version requires adequate piping for raising or lowering the liquid level in the vessel and must be installed within one year.

Page 13, Paragraph 2.A.(3)(g).—Suggested wording. Add paragraph (e) to the Order. Wording is as follows: The District Engineer may, upon application from the operator, extend the period of time between safety device tests if justified by test records and device performance.

Rationale. Improved techniques, technology and product design in the future could show that extension of testing intervals for safety devices will not decrease the effectiveness of the safety system. This stipulation will encourage industry and suppliers to develop and improve safety system hardware.

Page 14, Paragraph 2. A.(4).—Suggested wording. Curbs, gutters, and drains shall be constructed in all deck areas in a manner necessary to collect all contaminants, unless drip pans or equivalent are placed under equipment and piped to a sump which will automatically maintain the oil at a level sufficient to prevent discharge of oil into Gulf waters. Wells shall not be flowed to

sumps. Sump piles or open-ended sumps shall, under normal operating conditions, be used to collect only produced water and liquids from drip pans and deck drains. Closed sumps or sump transfer tanks shall be equipped with a high level shut-in device unless equipped with an adequately designed water leg.

Rationale. This revision makes it clear that unloading a well to a sump is considered a hazard to safety and pollution control. Utilization of a sump to collect other than produced water and liquids in an emergency from drip pans may prevent a spill. Also, adequately designed water legs can be substituted for high liquid level controls on "closed bottom" sumps.

Page 14, Paragraph 2.A.(5).—Suggested wording. The following requirements shall apply to the handling of all produced water discharged into the Gulf of Mexico.

Rationale. Since this section is devoted entirely to disposal into the Gulf waters, reference to other methods of disposal should be eliminated. If disposal other than into Gulf waters requires control under this Order, then a separate paragraph should address this problem.

Page 14, Paragraph 2.A.(5)(b)(i) and 5(b)(ii).—(i) Oil content to average not more than fifty (50) ppm (mg/l) to be determined by the infrared or fluorometric methods.

(ii) pH range of 6.0 to 9.0 to be determined by the procedure in Standard Methods, 13th Edition, p. 276, Method 144A (1971).

Rationale. The 50 ppm (mg/l) conforms to the present method for reporting oil content and also is the direct result obtained from infrared and fluorometric testing. Under (ii) the "Method" should be 144A rather than 14A in the other Order version.

Page 15, Paragraph 2.A.(5)(c).—Suggested wording. Produced water discharged into the Gulf will be sampled, analyzed and the results of the analysis recorded once each month to determine if the requirements of (b) are fulfilled. Testing and reporting procedures are as follows.

Rationale. This version was changed for the purpose of clarity.

Page 15, Paragraph 2.A.(5)(c)(i).—Suggested wording. Four samples shall be collected over a 24-hour period. At least two hours must elapse between grabbed samples; however, a continuous sample is acceptable in lieu of grabbed samples. Samples, grabbed or continuous, shall be taken at a point prior to contact with seawater and shall be as nearly representative of the discharge stream as possible.

Rationale. This version recommends reducing the time interval between samples from three hours to two hours to make man hours more efficient.

The recommendation for acceptance of continuous sampling has merit because a continuous sample will result in an average representative sample of the discharge over the sampling period.

Page 15, Paragraph 2.c.(5)(c)(v).—Suggested wording. For each produced water discharge point, a quarterly report of the Monthly Analysis Results shall be submitted to the Area Office. The first such report shall be due in _____.

Rationale. The new version of Order 8 leaves the date of the first quarterly report blank since this will be determined by the effective date of the revised Order.

Page 16, Paragraph 2.A.(5)(d).—Suggested wording. Should the analysis indicate that the effluent does not meet the requirements of (b)(i) and/or (b)(ii) corrective action shall be taken immediately.

Rationale. The new version of Order 8 corrects a typographical error of (b)(1) and (b)(2) to read (b)(i) and (b)(ii).

Page 16, Paragraph 2.A.(6)(a).—Suggested wording. A fixed automatic water spray system shall be installed in all wellhead areas not adequately ventilated. An adequately ventilated wellhead area is substantially open and free from obstruction of the natural passage of air through it. Such areas may be roofed over and/or closed on one side. These systems shall be installed in accordance with the latest edition of National Fire Protection Association's Phamphlet No. 15 or such other installations as may be approved by the District Engineer.

Rationale. Reference to API RP 500A in the USGS Order 8 version has been deleted by the proposed new version since this RP does not address itself to wellhead areas. In order to avoid confusion, the above version has attempted to define or describe an "adequately ventilated" wellhead area. Although an automatic water spray system should be installed in accordance with the latest National Fire Protection Association Pamplet No. 15, special situations may be encountered where some departure from the basic intent is necessary; under such situations the District Engineer should have authority to approve these departures.

Page 17, Paragraph 2.A.(6)(c).—Suggested wording. The proposed change is a small one. "A record of the tests shall be maintained at the field headquarters for a period of one year."

Rationale. The suggested revision changes "field" to "field headquarters." This proposed change has been made in previous paragraphs.

Page 18, Paragraph 2.A.(7)(b).—Suggested wording. All gas detection systems shall be capable of continuously monitoring for the presence of combustible gas in the areas where the detection devices are located.

Rationale. The intent of the deleted sentence about the power supply is covered in the information supplied by the operator to the USGS on the application per Section 2.A.(7)(f)(v).

Page 19, Paragraph 2.A.(7)(d).—Suggested wording. A high level setting of not more than 75 percent of the lower explosive limit of the gas or vapor being monitored shall be used for platform shut-in sequences and the operation of emergency equipment.

Rationale. This is merely a correction of an apparent typing or composition error.

Page 19, Paragraph 2.A.(7)(e).—Suggested wording. Records of maintenance and calibration shall be maintained in the field headquarters for a period of one year and made available to any authorized representative of the Geological Survey. The system shall be tested for operation and recalibrated semiannually.

Rationale. Generally maintenance will be in accordance with reputable manufacturers' specifications and recommendations. In some cases these specifications could be inadequate; in others the manufacturers could prescribe unreasonable or otherwise impractical requirements. The objective is to keep the system calibrated and functioning properly. The order, as revised, should accomplish this goal.

Page 19, Paragraph 2.A.(7)(f).—Suggested wording. An application for the installation and maintenance of any gas detection system shall be filed with the appropriate District Office for approval. The application shall include the following:

(i) Type, location, and number of detection or sampling heads.

(ii) Type and kind of alarm including emergency equipment to be activated.

(iii) Method used for detection of combustible gas.

(iv) Method and frequency of calibration.

(v) A block diagram of the gas detection system including the electric power supply.

(vi) Other pertinent information.

Rationale. The cycling or noncycling and frequency information is not needed since continuous monitoring is to be required. The inclusion of the electric power supply data on the gas detection system diagram accomplishes the objective noted in discussion of 2.A.(7)(b) above.

Page 20, Paragraph 2.A.(8)(a).—Suggested wording. All engines shall be equipped with a low tension ignition system designed and maintained to minimize release of sufficient electrical energy to cause ignition of an external combustible mixture.

Rationale. The requirement that engines be equipped with shielded wiring in the high voltage section of the ignition system was deleted because it is not an explosion proof system approved for Class I, Group D, Division 1 or 2 use.

Page 20, Paragraph 2.A.(8)(b).—Suggested wording. All electrical generators, motors, and lighting systems shall be installed, protected and maintained in accordance with the edition of the National Electrical Code or API RP 500B in effect at the time of installation.

Rationale. API RP 500A reference is not applicable to offshore platforms since it is intended for refinery conditions, including high temperatures and pressures.

Page 20, Paragraph 2.A.(8)(c).—Suggested wording. Wiring methods which conform to the National Electrical Code or IEEE 45 in effect at the time of installation are acceptable.

Rationale. The revised wording will avoid problems which would arise from relatively minor changes in the detailed requirements of later editions of the National Electrical Code or IEEE 45.

Page 21, Paragraph 2.A.(8)(d).—Suggested wording. An auxiliary power supply shall be installed to provide emergency power capable of operating all electrical equipment required to maintain safety of operations in the event of a failure in the primary electrical power.

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Rationale. The revised wording is essentially that of the existing Order No. 8, but it is now placed under the general subject of electrical equipment and systems. The reference to "personnel involved" has been deleted to avoid the subjective interpretation involved.

Page 21, Paragraph 2.A.(9).—Suggested wording. After the effective date of this order, sewage disposal systems shall be installed and used in all cases where sewage is discharged into the Gulf of Mexico. Sewage is defined as water containing liquid and solid wastes from toilets and other receptacles intended to receive or retain body wastes.

Rationale. The removal of the word "secondary" from this section and placing it in the following section which specifies the standards for effluents results in a regulation with clearly established secondary treatment standards.

Page 21, Paragraph 2.A.(9)(a)(i).—Suggested wording. Delete subparagraph 2.A.(9)(a)(i). This is a design guideline and not an effluent requirement.

Rationale. The deletion of the reference to "a capacity of 50 GPD per man, based on normal location occupancy" is consistent with the establishment of effluent quality standards rather than the establishment of sewage system design criteria.

Page 21, Paragraph 2.A(9)(a)(ii).—Suggested wording. (a) Sewage disposal systems shall be designed and maintained so that the effluent shall meet the following requirements. (i) Biochemical oxygen demand (BOD) of 50 mg/l or less to be determined by the procedure in Standard Methods, 13th Edition, p. 489, Method 219 (1971).

Rationale. The reporting of biochemical oxygen demand in mg/l is consistent with

the usual laboratory practice and other parameter units as well as the Standard Methods, 13th Edition as referenced.

Page 22, Paragraph 2.A.(9)(a)(iv).—Suggested wording. (iii) Minimum chlorine residual of 7.0 mg/1 to be determined by the procedure in Standard Methods, 13th Edition, p. 382, Method 204A or 204B. Other methods such as ultraviolet light, to kill bacteria, may be approved upon application.

Rationale. Some sterilization techniques do not depend on chlorine so a provision for approval upon application is needed.

Page 23, Paragraph 2.A(9)(b)(v).—Suggested wording. Should analysis indicate that the effluent does not meet the requirements of (a), corrective action shall be taken.

Rationale. The word "immediate" has been deleted. Immediate implies instantaneous correction, a condition impossible to achieve.

Page 23, Paragraph 2.B.—Suggested wording. Delete this paragraph.

Rationale. Further to information already provided by the Offshore Operators Committee on production losses that would result from prohibition of simultaneous drilling and producing operations, additional comments are presented herein. In preliminary discussions between the Technical Subcommittee and the USGS Staff, it was pointed out that strict interpretation of the wording in the USGS draft of Order 8 could result in entire fields being shut-in or, even worse, several fields being shut-in during the drilling of a well on a critical platform. Shut-in volume numbers previously furnished did not assume this strict interpretation. It can readily be seen that volumes several fold greater than those previously furnished could be shut-in under a strict interpretation. Deviations from a strict interpretation would become arbitrary. Arbitrary regulations have no place in the oil and gas industry.

Drilling and producing operations have been conducted simultaneously and safely on the same platform for many years. There are many reasons why operators must have the option to produce wells as soon as they can be completed:

Economic Reasons: Production delays have a direct bearing on an operator's rate of return on investment. The degree of reduction in rate of return depends on many factors, such as, amount of capital being invested, production rates involved, operating expenses, etc. We know of no way to generalize on the degree that rate of return would be reduced by production delays other than to say that basic economic principles dictate that it is so.

Reduction in Exposure Time: By initiating production as soon as possible, the overall life of the platform is reduced, thereby reducing the exposure time to pollution and other events that could be detrimental to the environment.

Need for Basic Data: It would be a unique situation that plans would not change once development of a platform commenced. Changes in reservoir characteristics, flow rates, sand production, and many other factors are commenly encountered that cause the initial plans of an operator to be changed during the progress of drilling all the wells on a platform. The location of wells and thus the drainage patterns and ultimate recovery depends on being able to optimumly locate each successive penetration. Actual production experience is essential for definition of reservoir drive mechanism and determination of requirements for additional recovery projects. Not having basic data while drilling can easily lead to unnecessary expenditures, reservoir waste, and loss in ultimate recovery and income.

The proposed prohibition would undoubtedly result in increased number of platforms with lower well density per platform. Greater number of platforms and pipelines would also increase costs and exposure. Infill drilling from existing platforms would no longer be as attractive. Rarely would an operator be able to afford to shut-in existing producing wells to drill from an existing structure. This result is contrary to the directives concerning new reserves contained in the President's energy message to Congress and the American people.

Page 23, Paragraph 2.C.—Suggested wording. The following requirements shall apply to all structures, including mobile drilling and workover structures as applicable. The period of time during which these requirements are considered applicable to mobile drilling structures is the interval from the drilling out of the drive conductor or shoe of the casing until the BOP stack and riser are pulled in the final completion, abandonment or suspension. These requirements shall apply to workover rigs when such rigs are performing remedial work on any wells open to hydrocarbon bearing zones.

For the purpose of this Order, the term "burning and welding" is defined to include arc or acetylene cutting and arc or acetylene welding.

Each Operator shall prepare and submit to the District Engineer a Welding and Burning Safe Practices and Procedures Plan.

Prior to burning or welding operations the operator shall establish approved welding areas. Such areas shall be constructed of noncombustible or fire-resistant materials free of combustible or flammable contents and suitably segregated from adjacent areas. NFPA Bulletin No. 51B "Cutting and Welding Processes 1971" should be used as a guide to designate these areas.

All welding that is required but that cannot be done in the approved welding area shall be performed in compliance with the procedures outlined below.

(1) All welding and burning shall be minimized.

Rationale. In the OOC draft, Section C becomes Section B since the provision on prohibition of simultaneous drilling and producing operations has been deleted in the OOC version.

The first paragraph of the USGS version has been divided into three paragraphs in the OOC version. In addition to minor editorial changes, two significant changes in the OOC version are as follows: The requirement to establish an approved welding area on all new and existing structures has been reworded to require establishment of these areas on structures prior to burning or welding operations. This is believed to be in agreement with the intent of the USGS such that these areas be provided prior to the actual operation. There would be no need for operators to provide welding areas on platforms where no welding operations are planned.

Another significant insertion by the OOC is the proposed requirement that each operator shall prepare and submit to the District Engineer a Welding and Burning Safe Practices and Procedures Plan. It is the OOC contention that welding and burning can be safely conducted on offshore platforms if properly supervised and planned. Many operators already have plans which incorporate most of the stipulations proposed by the USGS. Submitting such a plan to the USGS would insure that the operator does have an acceptable plan and the USGS is knowledgeable about the operator's practices. If necessary, the USGS can always request revisions to the plan.

Page 24, Paragraph 2.C.(2)(a).—Suggested wording. Such welding and burning as is necessary on a structure shall adhere to the following practices:

(a) Prior to the start of any burning or welding operation on a structure the person in charge at the installation and the welder(s) or the welder's supervisor shall personally inspect the area in which the work is to be performed for potential fire and explosion hazards. The person in charge, the welder(s) and/or the welder's supervisor are responsible to see that no sparks, flame or hot slag will be exposed to any combustible material or equipment. The person in charge shall issue a written permit authorizing work to proceed after he has determined that it is safe to do so.

Rationale. Industry contends that the senior person in charge at an installation should not be required to inspect qualifications of welders or the area in which work is to be performed. In the first place, the senior person in charge may not be qualified to inspect welders and, secondly, this is not a practical requirement. The senior person in charge has many duties, many of which are managerial in nature, and he should not be required to perform such a function as inspecting the work area. Many operators utilize highly trained construction supervisors and personnel with other titles to directly supervise the operations of construction crews and welders. These supervisors are much more qualified to determine whether welding and burning operations can be conducted safely. They are also highly qualified in the areas of production operations and can adequately handle the function as proposed by the OOC. Concerning certification by a recognized testing agency, many operators have requirements for welders that are much more stringent than recognized testing agencies. Each operator should have the option of utilizing their own requirements for qualifications of welders.

Page 24, Paragraph 2.C.(2)(b).—Suggested wording. All welding equipment shall be inspected prior to beginning any burning or welding. Welding machines located on production or process platforms shall be equipped with spark arrestors and drip pans if necessary. Welding leads shall be completely insulated and in good condition, oxygen and acetylene bottles secured in a safe place, and hose leak-free and equipped with proper fittings, gauges and regulators.

Rationale. In many cases, welding machines are located in areas other than those that would require spark arrestors and drip pans. An example of this would be a derrick barge. This section has been revised to require such equipment when welding machines are located on production or process platforms.

Page 25, Paragraph 2.C.(2)(c).—Suggested wording. During all welding and burning operations, one or more persons as necessary shall be designated as "fire watch". Persons assigned to "fire watch" shall have no other duties while actual burning or welding operations are in progress.

Rationale. This section has been revised to require that persons assigned to fire watch have no other duties while actual burning or welding operations are in progress. There is absolutely no need for a person to be assigned to fire watch during pipe fitting operations, measurement or other operations not involving "hot" work.

Page 25, Paragraph 2.C.(2)(d).—Suggested wording. Prior to any welding or burning, the fire watch shall have in his possession fire-fighting equipment in a condition ready for use.

Rationale. The word "immediate" has been deleted since this implies that pins should be pulled on fire extinguishers used by the fire watch. This would not be a good practice. We agree that fire-fighting equipment should be ready for use after pulling the pin.

Page 25, Paragraph 2.C.(2)(e).—Suggested wording. No welding shall be done on containers, tanks or other vessels which have contained a flammable substance unless they have been rendered inert and determined to be safe for welding or burning by the person in charge.

Rationale. The requirement for certification by a Marine Chemist is unnecessary and impractical. Not only would this requirement substantially increase costs, but would involve logistics problems, transportation delays, limited availability of qualified people and other situations that are impractical in offshore operations. The accepted industry practices of filling containers or vessels with water or rendering them inert are believed adequate and safe. The practice of "hot tapping", which is a specialized procedure in itself and which requires unusual planning and supervision, should be exempt for this section.

Page 26, Paragraph 2.C.(2)(g).—Suggested wording. If it is necessary to weld or burn in the wellhead or production area this activity must be specifically covered in the written authorization for the work and adequate safety precautions specified.

Rationale. There is no justification for requiring shut-in of production when welding or burning in the wellhead or production area if adequate safety precautions are taken beforehand. The OOC proposed requirement for a written authorization for work in these areas will adequately insure that proper planning is conducted and adequate supervision is available for this phase of the work. In many cases it can be demonstrated that the wellhead area is safer to conduct burning operations than other parts of the platform. Generally, wellhead areas are more adequately ventilated, and piping and wellheads contain the most steel to contain the combustible liquids/gases. The requirement of an inspection by the person in charge and the person doing the burning and welding is the key to insure adequate planning and recognition of potential hazardous situations. In regard to welding and burning operations in the production area, there are many situations such as welding or cutting on water lines or equipment not in the process flow scheme that would not present a hazard. Under the proposed provision of this Order the accepted industry practice of "hot tapping" would not be allowed. Again, the key to safe operations offshore is adequate supervision and proper planning.

Page 26, Paragraph 2.C.(2)(h).—Suggested wording. Delete this paragraph.

Rationale. This proposed stipulation is superfluous. Economics dictate that onshore fabrication be conducted as much as possible; however, there are situations when it is not feasible to do so. The determination of where fabrication takes place is a management decision. The proposed stipulation is too vague to be enforceable; therefore, it should be deleted. We agree, in principle, with the content of the statement.

Page 26, Paragraph 2.C.(2)(i).—Suggested wording. Delete this paragraph.

Rationale. There is no justification for limiting welding and burning operations to daylight hours. Normally, these operations are conducted only in daylight hours since there are few around-the-clock operations offshore; however, in some cases, such as derrick barge operations or nippling up operations on a drilling rig, it is absolutely essential to conduct welding and burning during the night. There are also other operations critical in nature that require night work. In addition to other factors, one of the keys to safety at night is adequate lighting and not the fact that the sun has risen or set. In properly lighted areas, welding and burning can be conducted safely.

Page 27, OCS Form 7 (Proposed).—The Subcommittee has revised this form to satisfy the comments made by several operators and to improve its clarity.

Notice to Lessees and Operators of Federal Leases in the Outer Continental Shelf, Gulf of Mexico Area

[OCS Order No. 8]

Effective _____

PLATFORMS AND STRUCTURES

This Order is established pursuant to the authority prescribed in 30 CFR 250.11 and in accordance with 30 CFR 250.19(a). Section 250.19(a) provides as follows:

The Supervisor is authorized to approve the design, other features, and plan of installation of all platforms, fixed structures, and artificial islands as a condition of the granting of a right of use of easement under Paragraphs (a) and (b) of § 250.18 or authorized under any lease issued of maintained under the Act.

The operator shall be responsible for compliance with the requirements of this Order in the installation and operation of all platforms and structures, including all facilities installed on a platform or structure, whether or not operated or owned by the operator. All departures from the requirements specified in this Order shall be subject to approval pursuant to 30 CFR 250.12(b). All applications for approval under the provisions of this Order shall be submitted to the appropriate District Supervisor. References in this Order to approvals, determinations, or requirements are to those given or made by the Supervisor or his delegated representative.

1. *Platform design, application, and plan.* The following requirements are applicable to all platforms and structures approved and installed subsequent to the effective data of this Order. When structural or equipment modifications to existing platforms and structures are proposed, only requirements relevant to the modifications shall be applicable.

A. *Platform design.*—(1) *General design.* The design of platforms and structures shall include consideration of such factors as water depth; surface and subsurface soil conditions, including scour, mud slides, liquefaction; wave and current forces; wind forces; total equipment weight; and other pertinent geological, geographical, environmental, and operational conditions. The design of fixed platforms and structures shall conform with the most current addition of API RP2A, "Recommended Practice for Planning, Designing, and Constructing Fixed Offshore Platforms," when not in conflict with the provisions of this Order.

(2) *Isolation of facilities.* All platforms, and fixed structures, the fabrication of which has not been commenced as of the effective date of this Order, shall be designed, installed, and maintained to safely isolate and protect living quarters from well and production facility areas and well areas from production facility areas. Such isolation and protection may be provided by firewalls, locating these facilities on separate platforms, or by other acceptable means.

B. *Application.* The operator shall submit, in duplicate, the following for approval:

(1) *Design features of platform and structures.* Information relative to design features on an 8" x 10½" plat or plats showing the platform dimensions, plan and two elevations, number and location of well slots, and water depth. In addition, the plat shall include:

(a) Identification data, which shall be the lease number, area name, block number, and operator.

(b) The following certification, signed and dated with the title of the company representative: "(Operator) certifies that this platform has been certified by a registered professional engineer and that the structure will be constructed, operated, and maintained as described in the application, and any approved modification thereto. Certified plans are on file at _____."

(c) Nominal size and thickness range of piling, including location of heavy wall piling in relation to base of jacket.

(d) Nominal size and thickness range of jacket column leg.

(e) Nominal size and thickness range of deck column leg.

(f) Design piling penetration.

(g) Maximum bearing and lateral load per pile in tons.

(h) Certification that the mechanical and electrical systems of the facility will be designed, installed, and maintained under the supervision of a registered professional engineer.

(2) *Other platform and structure features.* Information relative to other features, including the following:

(a) Primary use intended, including drilling, production of oil and gas, sulphur, or salt.

(b) Personnel and personnel transfer facilities, including living quarters, boat landings, and heliport.

(c) Number and type of decks, such as steel or wood, and whether coated with protective material.

(d) Method of protection from corrosion.

(e) Statement that protective coatings will not cause excessive local toxicity.

(3) *Design features of production facilities.* Information relative to design features as follows shall be submitted in duplicate prior to installation:

(a) A flow schematic showing size, capacity, and design working pressure of separators, treaters, storage tanks, compressors, pipeline pumps, and metering devices.

(b) A schematic diagram showing pollution and safety control equipment identified according to nomenclature (Definition, Symbols and Identification) contained in API RP 14C, accompanied by an explanation as to the function and sequence of operation.

(c) A schematic piping diagram showing the size and design working pressure with reference to welding specifications or codes used.

(d) A diagram of the fire-fighting system.

(e) Electrical system information shall include the following:

i. Plan view of each platform deck outlining any non-hazardous area—areas which are unclassified with respect to electrical equipment installations, and areas in which potential ignition sources, other than electrical, are to be installed. The area outline should include the following:

a. Any surrounding production or other hydrocarbon source and a description of deck, overhead and firewall.

b. Location of generators, control rooms, panel boards, major cabling/conduit routes and identification of wiring method.

ii. One line electrical schematic which includes the following information:

a. Type, rating and the operating and safety controls of generators and prime movers.

b. Main generator switchboard including interlocks, controls and indicators.

c. Feeder and branch circuits, including circuit load, wire type and size, motor running protection and circuit breaker setting.

d. Calculation or measurement of electrical system voltage drop caused by starting current of largest motor while normal load operating conditions exist.

iii. Elementary electrical schematic of any platform safety/shutdown system with functional legend.

C. *Certified plan.* Detailed structural plans certified by a registered professional engineer shall be on file and maintained by the operator or his designee.

2. *Operations on platforms and structures.*—A. *Safety and pollution control equipment and procedures.* Operators of platforms and structures installed prior to the effective date of this Order shall comply with the requirements of the following subparagraphs (1)(g), (2)(d), (3)(e), and (3)(f) within six months, and with the requirements of the following subparagraphs (1)(e), (1)(h), (1)(i), (1)(j), and (1)(l), within one year from the effective date of this Order. Any device on wells, vessels, or flowlines temporarily out of service shall be flagged. Safety devices and systems on wells which are capable of producing shall not be bypassed or locked out of service unless absolutely necessary, and then only with personnel on duty aboard the platform.

(1) *Shut-in devices.* The following shut-in devices shall be installed and maintained in an operating condition on all vessels and water separation facilities when such vessels and separation facilities are in service:

(a) All separators shall be equipped with high and low pressure shut-in sensors and a relief valve. Vessels connected together by a system of adequate piping not containing valves which can isolate any vessel may be considered as one unit having an effective working pressure equal to the lowest rated working pressure of any component. All separators shall be equipped with low level shut-in controls. High liquid level shut-in control devices shall be installed when the vessel can discharge to a flare.

(b) All pressure surge tanks shall be equipped with high and low-pressure shut-in sensors, a high level shut-in control, flare line, and relief valve.

(c) All atmospheric tanks that may contain possible pollutants, including oil production tanks, surge tanks, etc., shall be equipped with a high level shut-in control. When two or more tanks are connected in series or parallel and the operating levels are equalized, only one high level shut-in control is required, providing it is located so that it cannot be isolated from any tank and will provide adequate high-level protection for all tanks.

(d) All other hydrocarbon-handling pressure vessels shall be equipped with high and low pressure shut-in sensors and relief valves. Vessels connected together by a system of adequate piping not containing valves which can isolate any vessel may be considered as one unit having an effective working pressure equal to the lowest rated working pressure of any component. In addition, such pressure vessels shall be equipped with high and low level shut-in controls.

(e) The following requirements shall apply to all gas-fired production vessels:

i. Alarms which may be disabled during troubleshooting and subsequent corrective operations are permissible, but these alarms must be placed in service when normal operation is restored.

ii. Sensors and monitors will respond to an abnormal condition in the vessel by automatically: Shutting off fuel supply; initiating audible, visual, or other acceptable alarms; shutting off combustible media inflow to the vessel, except in closed heat-transfer systems where the heated media is temperature degradable and flows through tubes located in the fired chamber. In this type of heater, circulation of the media should continue until the heat exchange area has cooled below the temperature at which the media degrades.

iii. The controls of electrical equipment necessary for proper operations shall be interlocked in the startup and shutdown sequences.

iv. Fuel supply lines to the main and pilot burners shall also be equipped with manually operated shut-off valves.

v. A flame detector or heat sensor should be installed to determine if the pilot is adequate to light the main burner; and, on vessels in which the pilot is not continuously lighted, indicate a main burner flame failure.

vi. The exhaust stack of natural draft heaters shall be equipped with spark arrestors.

vii. Natural draft air intakes shall be equipped with a flame arrestor.

viii. Forced draft burners shall be equipped with a low pressure or low flow rate sensor to detect an inadequate air supply.

ix. Vessels in which the media in contact with the fire tubes is not the primary product to be heated shall be protected by temperature and low level sensors in the heat exchange media stream.

x. Pressure relief valves shall be designed, installed, and maintained in accordance with applicable provisions of Sections I, IV, and VIII of the most current edition of the ASME Boiler and Pressure Vessel Code.

xi. Steam generators shall be equipped with low water level controls in accordance with applicable provisions of Sections I and IV of the most current edition of the ASME Boiler and Pressure Vessel Code.

xii. All relief valves and vents shall be piped in such a way as to minimize the possibility of hot fluid striking personnel or ignition sources.

xiii. An operating procedure shall be posted in a prominent location near the controls of the unit, and personnel responsible for the unit's operation shall be properly trained.

(f) All relief valves shall be set to start relieving at the design working pressure of the vessel and shall be sized to prevent the pressure from rising more than 10 percent above the design working pressure of the vessel or as otherwise provided by Section VIII of the most current edition of the ASME Boiler and Pressure Vessel Code. The high pressure shut-in sensor shall activate sufficiently below the design working pressure to positively insure operation before the relief valve starts relieving. The low pressure shut-in sensor shall activate no lower than 15 percent or 5 psi, whichever is greater, below the lowest pressure in the operating range.

(g) Pressure sensors may be of the automatic or nonautomatic reset type, but where the automatic reset types are used, a nonautomatic reset relay must be installed. All pressure sensors shall be equipped to permit testing with an external pressure source.

(h) All flare lines shall be equipped with a scrubber with a high level shut-in control.

(i) Surge tanks and all hydrocarbon storage tanks shall be equipped with an automatic fail-close shut-in valve located in the pump suction line as close to the tank as practical. Such valve is to be activated by pump shutdown controls and the platform emergency shutdown system.

(j) All engine exhausts with temperatures greater than 400° F shall be insulated and piped away from fuel sources. Exhaust piping from diesel engines shall be equipped with spark arrestors.

(k) All pressure or fired vessels used in the production of oil or gas installed after the effective date of this Order shall conform to the requirements stipulated in the edition of the ASME Boiler and Pressure Vessel Code, Sections I, IV, and VIII, as appropriate, in effect at the time the vessel is installed. Uncoded vessels now in use shall be hydrostatically tested to a pressure 1.5 times their normal working pressure. The test date, test pressure, and working pressure shall, within six months after the effective date of the Order, be marked on the vessel in a prominent place. A record of the test shall be maintained by the operator.

(l) A separator shall be installed in the glycol return line on all glycol dehydration units.

(2) *Safety devices.* The following safety devices shall be installed and maintained in an operating condition at all times. When wells are disconnected from producing facilities and blind-flanged or equipped with a tubing plug, compliance with subparagraphs (a), (b), and (c) below is not required.

(a) All wellhead assemblies shall be equipped with an automatic fail-close surface safety valve. All new wells drilled and completed after the effective date of this Order shall be equipped with a surface safety valve installed in the vertical run of the christmas tree.

(b) All flowlines from wells shall be equipped with high and low pressure shut-in sensors located downstream of the well choke. If there is more than 10 feet of line between the wellhead wing valve and the choke, an additional low pressure shut-in sensor shall be installed in this section. The high pressure shut-in sensor shall be set no higher than 10 percent above the highest pressure in the operating range of the line, but in no case shall it exceed 90 percent of the shut-in pressure of the well or the gas lift supply pressure. The low pressure shut-in sensor shall be set no lower than 10 percent or psi, whichever is greater, below the lowest pressure in the operating range of the section of the line in which it is installed.

(c) All headers shall be equipped with check valves on the individual flowlines. The flowline and valves from each well located upstream of, and including, the header valves shall be able to withstand the shut-in pressure of that well, unless protected by a relief valve with connections to bypass the header. If there is an inlet valve to a separator, the valve, flowline, and all equipment upstream of the valve shall also be able to withstand shut-in wellhead pressure, unless protected by a relief valve with connections to bypass the header.

(d) On all gas lift wells, a check valve shall be installed on the gas input line to the casing.

(e) All pneumatic shut-in systems shall be equipped with fusible material at strategic points.

(f) Remote shut-in controls shall be located on the helicopter deck and on all exit stairway landings, including at least one on each boat landing. These controls shall be quick-opening valves, except that those on the boat landing may be a platic loop.

(3) *Safety device testing.* The safety devices required in subparagraphs 2A (1) and (2) above shall be tested by the operator as follows or at more frequent intervals. Records shall be maintained at the field headquarters for a period of one year, showing the present status and past history of each device, including dates and details of inspection, testing, repairing, adjustment, and reinstallation. Such records shall be available to any authorized representative of the Geological Survey.

(a) All pressure relief valves shall be tested for operation annualy. Pressure relief valves shall either be bench-tested or equipped to permit testing with an external pressure source. Bench tests not witnessed by USGS personnel must be certified by a third party.

(b) All pressure sensors shall be tested at least once each calendar month, but at no time shall more than six weeks elapse between tests. Any sensor which consistently varies more than ±5 percent from its set pressure shall be repaired or replaced.

(c) All automatic wellhead safety valves and check valves on all flowlines shall be checked for operation and holding pressure

once each calendar month, but at no time shall more than six weeks elapse between tests. For any valve which these monthly tests indicate a shorter time interval is needed, such shorter interval shall be instituted. If sustained liquid flow exceeds 400 cc/min or gas flow exceeds 15 cubic ft/min, the valve shall be repaired or replaced.

(d) All liquid level shut-in controls shall be tested at least once within each calendar month, but at no time shall more than six weeks elapse between tests. These tests shall be conducted by raising or lowering the liquid level in the vessel.

(e) Automatic inlet shut-off valves actuated by a sensor on a vessel or a compressor shall be tested for operation at least once within each calendar month, but at no time shall more than six weeks elapse between tests.

(f) Automatic shut-off valves located in liquid discharge lines and actuated by vessel low level sensors shall be tested for operation once within each calendar month, but at no time shall more than six weeks elapse between tests.

(4) *Curbs, gutters, and drains.* Curbs, gutters, and drains shall be constructed in all deck areas in a manner necessary to collect all contaminants, unless drip pans or equivalent are placed under equipment and piped to a sump which will automatically maintain the oil at a level sufficient to prevent discharge of oil into Gulf waters. Sump piles or open-ended sumps shall be used to collect only produced water and liquids from drip pans and deck drains. Closed sumps or sump transfer tanks shall be equipped with a high level shut-in device.

(5) *Produced water.* The following requirements shall apply to the handling and disposal of all produced water discharged into the Gulf. The disposal of water other than into the Gulf waters shall have the method and location approved by the District Supervisor.

(a) Water discharged shall not create conditions which will adversely affect the public health or the use of the waters for the propagation of aquatic life, recreation, navigation, or other legitimate uses.

(b) Produced waste water disposal systems shall be designed and maintained so that the oil content of the effluent shall not exceed 50 (mg/l) determined by averaging the four samples required in (c) i. below. The oil content shall be determined by the infrared or fluorometric methods. A copy of the method to be used shall be submitted to the District Supervisor for approval. The District Supervisor may approve the use of other methods, if the method to be used at a location is shown to be reliable under the conditions existing at that location.

(c) Produced water discharged into the Gulf will be sampled; analyzed, and the results of the analysis recorded once each month to determine if the requirement of subparagraph 2A(5)(b) above is fulfilled. Testing and reporting procedures are as follows:

i. Four samples shall be collected over a 24-hour period. At least two hours must elapse between grabbed samples; however, a continuous sample is acceptable in lieu of grabbed samples. Samples, grabbed or continuous, shall be taken at a point prior to contact with seawater and shall be as nearly representative of the discharge stream as possible.

ii. Analysis of the effluent sample shall be completed within two weeks of collection, or a new set of samples must be taken.

iii. When the sample is taken, the date, time of day, temperature of discharge, pH, and discharge in bbls/day shall be recorded. This information, along with the analysis results, will be reported on OCS Form 7 dated October 1972.

iv. A copy of the latest analysis results shall be maintained at the discharge site or field production headquarters.

v. For each produced water discharge point, a quarterly report of the Monthly Analysis results shall be submitted to the Area Supervisor. Reports shall be submitted in January, April, July, and October of each calendar year.

(d) Should the analysis indicate that the effluent does not meet the requirements of subparagraphs 2A(5)(b) above, corrective action shall immediately be taken. Approval to continue operations to aid in the identification and remedy of the problem must be obtained from the District Supervisor. Such approval shall be contingent upon submittal of a follow-up report to the District Supervisor within 10 days.

(6) *Fire-fighting system.* A fire-fighting system shall be installed and maintained in an operating condition in accordance with the following:

(a) A fire water system of rigid pipe with fire hose stations shall be installed and may include a fixed water spray system. Such a system shall be installed in a manner necessary to provide needed protection in areas where production handling equipment is located. A fire-fighting system using chemicals may be used in lieu of a fire water system if determined to provide equivalent fire protection control.

(b) Pumps for the fire water systems shall be inspected and test operated weekly. A record of the tests shall be maintained at the field headquarters for a period of one year. An alternate fuel or power source shall be installed to provide continued pump operation during platform shutdown, unless an alternate fire-fighting system is provided.

(c) Portable fire extinguishers shall be located in the living quarters and in other strategic areas.

(d) A diagram of the fire-fighting system showing the location of all equipment shall be posted in a prominent place on the platform or structure.

(7) *Automatic gas detectors.* An automatic gas detector and alarm system shall be installed and maintained in an operating condition in accordance with the following:

(a) Gas detection systems shall be installed in all enclosed areas containing gas production facilities or equipment. Gas detectors shall be installed in all enclosed areas where fuel gas is used; the use of fuel gas odorant is an acceptable alternate. In meter houses where adequate ventilation is used in lieu of a gas detector installation, ventilation, shall be by natural draft at a rate not less than one enclosure air change per five minutes.

(b) All gas detection systems shall be capable of continuously monitoring for the presence of combustible gas in the areas in which the detection devices are located. The gas detector power supply must be from a continually energized power source.

(c) The central control shall be capable of giving an alarm at a point not greater than 25 percent of the lower explosive limit of the gas or vapor being monitored. This low level shall be for alarm purposes only.

(d) A high level setting of not more than 75 percent of the lower explosive limit of the gas or vapor being monitored shall be used for platform shut-in sequences and the operation of emergency equipment.

(e) Records of maintenance and calibration shall be maintained in the field headquarters for a period of one year and made available to any authorized representative of the Geological Survey. The system shall be tested for operation and recalibrated semiannually.

(f) An application for the installation and maintenance of any gas detection system shall be filed with the appropriate District office for approval. The application shall include the following:

i. Type, location, and number of detection or sampling heads.

ii. Type and kind of alarm, including emergency equipment to be activated.

iii. Method used for detection of combustible gases.

iv. Method and frequency of calibration.

v. A functional block diagram of the gas detection system, including the electric power supply.

vi. Other pertinent information.

(g) A diagram of the gas detection system showing the location of all gas detection points shall be posted in a prominent place on the platform or structure.

(8) *Electrical equipment.* The following requirements shall be applicable to all electrical equipment and systems installed:

(a) All engines shall be equipped with a low tension ignition system of a low fire hazard type and shall be designed and maintained to minimize release of sufficient electrical energy to cause ignition of an external combustible mixture.

(b) All electrical generators, motors, and lighting systems shall be installed, protected, and maintained in accordance with the edition of the National Electrical Code and API RP 500 B in effect at the time of installation.

(c) Wiring methods which conform to the National Electrical Code or IEEE 45, Recommended Practice for Electrical Installation on Shipboard, in effect at the time of installation are acceptable.

(d) An auxiliary power supply shall be installed to provide emergency power capable of operating all electrical equipment required to maintain safety of operations in the event of a failure in the primary electrical power system.

(9) *Sewage.* Sewage disposal systems shall be installed and used in all cases where sewage is discharged into the Gulf of Mexico. Sewage is defined as water containing liquid and solid wastes from toilets and other receptacles intended to receive or retain body wastes.

(a) Sewage disposal systems shall be designed and maintained so that the effluent shall meet secondary treatment standards as follows:

i. Biochemical oxygen demand (BOD_5) of 50 mg/l or less, to be determined by the procedure in Standard Methods, 13th Edition, 1971, p. 489, Method 219.

ii. Suspended solids of 150 mg/l, to be determined by the procedure in Standard Methods, 13th Edition, 1971, p. 537, Method 224C.

iii. Minimum chlorine residual of 1.0 mg/l, to be determined by the procedure in Standard Methods, 13th Edition, 1971, p. 382, Method 204A or 204B. Other methods, such as ultraviolet light, may be approved upon application.

(b) Effective the date of this Order, all platforms and structures where sewage effluent is discharged into the Gulf of Mexico shall comply with the following:

i. All existing sewage treatment systems shall be tested, analyzed, and the results recorded semiannually to determine if the requirements under subparagraph 2A(9)(a) above are being met.

ii. All sewage treatment systems installed after the date of this Order shall be tested 30 days after installation and semiannually thereafter as provided above.

iii. A copy of the most recent laboratory analysis of the system effluent shall be maintained at the field headquarters or on the drilling rig.

iv. The semiannual sewage effluent analysis results shall be sent to the Area Supervisor on January 1 and July 1 of each calendar year.

v. Should analysis indicate that the effluent does not meet the requirements of subparagraph 2A(9)(a) above, immediate corrective action shall be taken.

(10) *Erosion.* A program of erosion control shall be in effect for wells having a history sand production. The erosion control program may include sand probes, x-ray, ultrasonic, or other satisfactory monitoring methods. A report on the results of the program shall be submitted annually to the District Supervisor.

B. *Simultaneous production and well operations.* Prior to conducting drilling workover, snubbing, or wireline operations on a platform or structure, if production operations are to be conducted simultaneously, the operator shall submit a plan for approval by the District Supervisor outlining the safety measures that will be taken during the operations. In the absence of such an approved plan, all producible wells capable of flowing oil or gas shall be shut-in below the mud line either by installation of a tubing plug or by closing the subsurface safety device. Such plans shall identify potential hazards associated with the simultaneous operations and proposed procedures to eliminate such hazards or to minimize the effects of such hazards to an acceptable level.

C. *Welding practices and procedures.* The following requirements shall apply to all platforms and structures, including mobile drilling and workover structures as applicable. The period of time during which these requirements are considered applicable to mobile drilling structures is the interval from the drilling out of the drive conductor or shoe of the casing until the BOP stack and riser are pulled in the final abandonment or suspension. These requirements shall apply to workover rigs when such rigs are performing remedial work on any wells open to hydrocarbon bearing zones.

For the purpose of this Order, the term "burning and welding" is defined to include arc or acetylene cutting and arc or acetylene welding.

Each operator shall prepare and submit to the District Supervisor for approval a Welding and Burning Safe Practices and Procedures Plan, which includes company qualification standards or requirements for welders. Any person designated as a welding supervisor must be thoroughly familiar with this plan.

Prior to burning or welding operations, the operator shall establish approved welding areas. Such areas shall be constructed of noncombustible or fire resistant materials free of combustible or flammable contents and be suitably segregated from adjacent areas. NFPA Bulletin No. 51B, Cutting and Welding Processes 1971, shall be used as a guide to designate these areas.

All welding that is required which cannot prudently be done in the approved welding area shall be performed in compliance with the procedures outlined below:

(1) All welding and burning shall be minimized.

(2) Such welding and burning as are necessary on a structure shall adhere to the following practices:

(a) Prior to the commencement of any burning or welding operations on a structure, the operator's designated welding supervisor at the installation shall personally inspect the qualifications of the welder or welders to insure that they are properly qualified in accordance with the approved company qualification standards or requirements for welders. The designated welding supervisor and the welders shall personally inspect the area in which the work is to be performed for potential fire and explosion hazards. After it has been determined that it is safe to proceed with the welding or burning operation, the welding supervisor shall issue a written authorization for the work.

(b) All welding equipment shall be inspected prior to beginning any burning or welding. Welding machines located on production or process platforms shall be equipped with spark arrestors and drip pans. Welding leads shall be completely insulated and in good condition; oxygen and acetylene bottles secured in a safe place; and hoses leak free and equipped with proper fittings, gauges, and regulators.

(c) During all welding and burning operations, one or more persons as necessary shall be designated as a Fire Watch. Persons assigned as a Fire Watch shall have no other duties while actual burning or welding operations are in progress.

(d) Prior to any welding or burning, the Fire Watch shall have in his possession fire-fighting equipment in a condition ready to use.

(e) No welding shall be done on containers, tanks, or other vessels which have contained a flammable substance unless the contents of the vessels have been rendered inert and determined to be safe for welding or burning by the designated welding supervisor.

(f) No welding shall be permitted during wireline operations.

(g) All production shall be shut-in at the surface safety valves while welding or burning in the wellhead or production area.

D. *Requirements for mobile drilling structures.* The requirements of subparagraphs 2A(4), 2A(8), 2A(9), and 2C above shall apply to all mobile drilling structures used to conduct drilling or workover operations on Federal leases in the Gulf of Mexico.

D. W. SOLANAS,
Oil and Gas Supervisor,
Field Operations.

Approved:

RUSSELL G. WAYLAND,
Chief, Conservation Division.

[FR Doc.74-12594 Filed 5-31-74;8:45 am]

PUBLIC INSPECTION OF RECORDS

Proposed OCS Order No. 12, Pacific Area

Notice is hereby given that pursuant to 30 CFR 250.11 and 250.97 and to 43 CFR 2.2, the Chief, Conservation Division, Geological Survey, proposes to approve OCS Order No. 12 for the Pacific Area as set forth below.

The purpose of proposed OCS Order No. 12 is to provide requirements to Oil and Gas Operators for the public inspection of records in the Area Office, Los Angeles, California.

Interested persons may submit written comments, suggestions, and objections concerning the proposed Order to the Director, U.S. Geological Survey, National Center, Mail Drop 101, 12201 Sunrise Valley Drive, Reston, Virginia 22092 on or before July 1, 1974.

V. E. MCKELVEY,
Director.

NOTICE TO LESSEES AND OPERATORS OF FEDERAL OIL AND GAS LEASES IN THE OUTER CONTINENTAL SHELF, PACIFIC AREA

[OCS Order No. 12]

Effective ----------

PUBLIC INSPECTION OF RECORDS

This Order is established pursuant to the authority prescribed in 30 CFR 250.11 and in accordance with 30 CFR 250.97 and 43 CFR 2.2. Section 250.97 of 30 CFR provides as follows:

Public inspection of records. Geological and geophysical interpretations, maps, and data required to be submitted under this part shall not be available for public inspection without the consent of the lessee so long as the lease remains in effect or until such time as the supervisor determines that release of such information is required and necessary for the proper development of the field or area.

Section 2.2 of 43 CFR provides in part as follows:

Determinations as to availability of records. (a) Section 552 of Title 5, U.S. Code, as amended by Pub. L. 90-23 (the act codifying the "Public Information Act") requires that identifiable agency records be made available for inspection. Subsection (b)[1] of section 552 exempts several categories of records from the general requirement but does not require the withholding from inspection of all records which may fall within the categories exempted. Accordingly, no request made of a field office to inspect a record shall be denied unless the head of the office or such higher field authority as the head of the bureau may designate shall determine (1) that the record falls within one or more of the categories exempted and (2) either that disclosure is prohibited by statute or Executive Order or that sound grounds exist which require the invocation of the exemption. A request to inspect a record located in the headquarters office of a bureau shall not be denied except on the basis of a similar determination made by the head of the bureau or his designee, and a request made to inspect a record located in a major organizational unit of the Office of the Secretary shall not be denied except on the basis of a similar determination by the head of that unit. Officers and employees of the Department shall be guided by the "Attorney General's Memorandum on the Public Information Section of the Administrative Procedure Act" of June 1967. (b) An applicant may appeal from a determination that a record is not available for inspection to the Solicitor of the Department of the Interior, who may exercise all of the authority of the Secretary of the Interior in this regard. The Deputy Solicitor may decide such appeals and may exercise all of the authority of the Secretary in this regard.

The operator shall comply with the requirements of this Order. Any departure from the requirements specified in this Order shall be subject to approval pursuant to 30 CFR 250.12(b).

1. *Availability of records filed on or after the effective date of this order.* It has been determined that certain records pertaining to leases and wells in the Outer Continental Shelf and submitted under 30 CFR Part 250 shall be made available for public inspection, as specified below, in the Area office, Los Angeles, California.

A. *Form 9-152—Monthly Report of Operations.* All information contained on this form shall be available except the information required in the Remarks column.

B. *Form 9-330—Well Completion or Recompletion Report and Log.* (1) Prior to commencement of production, all information contained on this form shall be available except Item 1a, Type of Well; Item 4, Location of Well, At top prod. interval reported be-

[1] Subsection (b) of section 552 provides that:

(b) This section does not apply to matters that are—* * *

(4) Trade secrets and commercial or financial information obtained from a person and privileged or confidential; * * *

(9) Geological and geophysical information and data, including maps, concerning wells.

low; Item 22, if Multiple Compl., How many; Item 24, Producing Interval; Item 26, Type Electric and Other Logs Run; Item 28, Casing Record; Item 29, Liner Record; Item 30, Tubing Record; Item 31, Perforation Record; Item 32, Acid, Shot, Fracture, Cement Squeeze, etc.; Item 33, Production; Item 37, Summary of Porous Zones; and Item 38, Geologic Markers.

(2) After commencement of production, all information shall be available except Item 37, Summary of Porous Zones; and Item 38, Geologic Markers.

(3) If production has not commenced after an elapsed time of five years from the date of filing Form 9–330 as required in 30 CFR 250.38(b), all information contained on this form shall be available except Item 37, Summary of Porous Zones; and Item 38, Geologic Markers. Within 90 days prior to the end of the five-year period, the lessee or operator may submit objections to the release of such information. The supervisor, taking into consideration the objections of the lessee, proximity to unleased lands, and the best interests of the United States, may determine that such information shall not be released.

C. *Form 9–331—Sundry Notices and Report on Wells.* (1) When used as a "Notice of Intention to" conduct operations, all information contained on this form shall be available except Item 4, Location of Well, At top prod. interval; and Item 17, Describe Proposed or Completed Operations.

(2) When used as a "Subsequent Report of" operations, and after commencement of production, all information contained on this form shall be available except information under Item 17 as to subsurface locations and measured and true vertical depths for all markers and zones not placed on production.

D. *Form 9–331C—Application for Permit to Drill, Deepen or Plug Back.* All information contained on this form and location plat attached thereto, shall be available except Item 4, Location of Well, At proposed prod. zone; and Item 23, Proposed Casing and Cementing Program.

E. *Sales of Lease Production.* Information contained on monthly Geological Survey computer printout showing sales of production, value and royalty of oil, condensate, gas and liquid products, by lease, shall be made available.

2. *Filing of Reports.* All reports on Forms 9–152, 9–330, 9–331, and 9–331C shall be filed in accordance with the following:

A. All reports submitted on these forms after the effective date of this Order shall be filed in two separate sets. All items on the forms in one set shall be completed in full and such forms, and all attachments thereto, shall not be available for public inspection. The additional set shall be completed in full, except that the items described in 1.(A), (B), (C), and (D) above, and the attachments relating to such items, may be excluded. The words "Public Information" shall be shown on the lower right-hand corner of this set. This additional set shall be made available for public inspection.

B. Copies of reports on these forms which were filed between December 31, 1973, and the effective date of this Order, shall be resubmitted (in duplicate or triplicate, as provided by the regulations) within 30 days after the effective date of this Order. These reports may exclude the items described in 1.(A), (B), (C), and (D) above, and shall show the words "Public Information" on the lower right-hand corner and shall be made available for public inspection.

3. *Availability of Records Filed Prior to July 1, 1974.* Information filed prior to July 1, 1974, on the forms referred to in (1) above, is not in a form which can be readily made available for public inspection. Requests for information on these forms shall be submitted to the supervisor in writing and shall be made available in accordance with 43 CFR Part 2.

F. J. SCHAMBECK,
Supervisor.

Approved:

RUSSELL G. WAYLAND,
Chief, Conservation Division.

[FR Doc.74–12593 Filed 5–31–74;8:45 am]

Office of Hearings and Appeals

[Docket No. M 74–133]

EASTERN ASSOCIATED COAL CORP.

Petition for Modification of Application of Mandatory Safety Standard

Notice is hereby given that in accordance with the provisions of section 301(c) of the Federal Coal Mine Health and Safety Act of 1969, 30 U.S.C. 861(c) (1970), Eastern Associated Coal Corporation has filed a petition to modify the application of 30 CFR 75.1405 to its Colver Mine located at Colver, Cambria County, Pennsylvania.

30 CFR 75.1405 provides:

All haulage equipment acquired by an operator of a coal mine on or after March 30, 1971, shall be equipped with automatic couplers which couple by impact and uncouple without the necessity of persons going between the ends of such eulpment. All haulage equipment without automatic couplers in use in a mine on March 30, 1970, shall also be so equipped within 4 years after March 30, 1970.

In support of its petition, Petitioner states:

(1) All of the track haulage equipment at the subject mine was acquired and had been used in the mine prior to March 30, 1974.

(2) Said track haulage equipment includes approximately one hundred fifty (150) mine cars used for the haulage of coal and supplies.

(3) All of said haulage equipment, as originally acquired, was equipped with link-and-pin couplers.

(4) The underground haulage system at said mine operates in the following manner:

(a) The "loaded trips" or coal trains are composed of fourteen individual coal cars.

(b) During underground haulage operations, the fourteen-car train remains intact, and it is not regularly coupled or uncoupled while underground.

(c) On the surface near the preparation plant, the fourteen-car train is broken into two seven-car units.

(d) Each of the seven-car units is then taken to the dump where a drop-bottom method of dumping is employed.

(e) After each of the two seven-car units has been dumped, the two units are recoupled on the surface and taken back underground for another load of coal.

(5) On or about March 30, 1974, Petitioner installed automatic couplers on all of its supply cars, its track haulage motors (drive vehicles), and on the outside end of the first and last cars of each of its seven-car units.

(6) Automatic couplers were not installed on the inner couplings of the seven-car units because said couplings are not regularly coupled or uncoupled.

(7) The change to automatic couplers on the outside ends of the seven car units created technical difficulties with the car spotters in said mine. Petitioner has been unable to overcome these technical problems because the distance between cars coupled with link-and-pin couplers and automatic couplers differs by approximately eighteen inches, and the car spotters are designed to operate only at the distance between cars created by the link-and-pin couplers.

(8) As an alternative to continued use of the automatic couplers on the outside ends of the seven-car units, Petitioner proposes to do the following:

(a) Install a shop-made modification of the link-and-pin coupler which would allow the coupling and uncoupling of said seven-car units without the need for a person to go between the cars.

(b) Perform all regular coupling and uncoupling operations on the surface where there is adequate light and clearance.

(9) Petitioner's alternate method will provide no less than the same degree of safety to the miners in said mine than if the mandatory standard were strictly enforced.

Persons interested in this petition may request a hearing on the petition or furnish comments on or before July 3, 1974. Such requests or comments must be filed with the Office of Hearings and Appeals, Hearings Division, U.S. Department of the Interior, 4015 Wilson Boulevard, Arlington, Virginia 22203. Copies of the petition are available for inspection at that address.

JAMES R. RICHARDS,
Director,
Office of Hearings and Appeals.

MAY 23, 1974.

[FR Doc.74–12610 Filed 5–31–74;8:45 am]

[Docket No. M 74–132]

YOUNGSTOWN MINES CORP.

Modification of Application of Mandatory Safety Standard

Notice is hereby given that in accordance with the provisions of section 301(c) of the Federal Coal Mine Health and Safety Act of 1969, 30 U.S.C. 861(c) (1970), Youngstown Mines Corporation has filed a petition to modify the application of 30 CFR 75.1405 to its Dehue Mine located at Dehue, West Virginia.

30 CFR 75.1405 provides:

All haulage equipment acquired by an operator of a coal mine on or after March 30, 1971, shall be equipped with automatic couplers which couple by impact and uncouple without the necessity of persons going between the ends of such equipment. All haulage equipment without automatic couplers in use in a mine on March 30, 1970, shall also be so equipped within 4 years after March 30, 1970.

Petitioner requests a waiver of the mandatory standard, and requests that

it be allowed to use its current haulage system which is described as follows:

(1) Petitioner utilizes fifty-five wooden-bottom supply cars which were purchased in the years 1927 to 1929. These cars are maintained in good condition and regularly overhauled.

(2) The foregoing haulage cars are used exclusively to transport supplies, and are not used to transport coal.

(3) In the haulage process, five cars are loaded on the surface and lowered by hoist to the bottom of the mine where they are: coupled to the supply motor, taken to the section, uncoupled from the motor, and left to be unloaded. The procedure is reversed when the cars are brought to the surface.

(4) Petitioner believes that its proposed alternative to the mandatory safety standard will at all times guarantee no less that the same measure of protection afforded by said standard.

Persons interested in this petition may request a hearing on the petition or furnish comments on or before July 3, 1974. Such requests or comments must be filed with the Office of Hearings and Appeals, Hearings Division, U.S. Department of the Interior, 4015 Wilson Boulevard, Arlington, Virginia 22203. Copies of the petition are available for inspection at that address.

JAMES R. RICHARDS,
Director,
Office of Hearings and Appeals.

MAY 20, 1974.

[FR Doc.74-12608 Filed 5-31-74;8:45 am]

National Park Service

PACIFIC NORTHWEST REGIONAL ADVISORY COMMITTEE

Notice of Meeting

Notice is hereby given in accordance with the Federal Advisory Committee Act that a meeting of the Pacific Northwest Regional Advisory Committee will be held at 9:00 a.m., June 17, 1974, in the Tudor Room of the Holiday Inn in Anchorage, Alaska.

The Committee was established pursuant to Public Law 91-383 to provide for the free exchange of ideas between the National Park Service and the public and to facilitate the solicitation of advice or other counsel from members of the public on programs and problems pertinent to the Pacific Northwest Region of the National Park Service.

The members of the Committee are as follows:

Mr. Earl J. Davenport (Chairman)
Dr. Robert L. Whitner (Secretary)
Mr. Leo V. Bodine
Mr. J. Allen Jensen
Mr. Roger Mellem
Dr. Richard M. Noyes
Mr. Wesley A. Phillips, Jr.
Mr. John C. Sackett
Hon. Lowell Thomas, Jr.

The matters to be discussed at this meeting include:

1. Operational procedures and programs in existing areas administered by the National Park Service in Alaska.
2. New area proposals in Alaska.

The meeting will be open to the public. However, facilities and space for accommodating members of the public are limited, and persons will be accommodated on a first-come, first-served basis. Any member of the public may file with the Committee a written statement concerning the matters to be discussed.

Persons wishing further information concerning this meeting, or who wish to submit written statements, may contact Glenn D. Gallison, Associate Regional Director, Cooperative Activities, Pacific Northwest Regional Office, at Area Code 206, 442-5962. Minutes of the meeting will be available for public inspection four weeks after the meeting at the office of the Pacific Northwest Region, 1424 Fourth Avenue, Seattle, Washington 98101.

Dated: May 29, 1974.

ROBERT M. LANDAU,
Liaison Officer, Advisory Commissions, National Park Service.

[FR Doc.74-12689 Filed 5-31-74;8:45 am]

Office of the Secretary

OUTER CONTINENTAL SHELF LANDS ACT

Public Hearing Procedures

The Department of the Interior is considering amending the regulations issued pursuant to the Outer Continental Shelf Lands Act (OCS Act) (43 U.S.C. 1331-1343) with the objective of imposing new requirements with respect to geological and geophysical exploration under permits and pursuant to leases on the Outer Continental Shelf and disclosure of information and data obtained by such exploration. To that purpose the Department has under consideration the amendments of 30 CFR Part 250 and 43 CFR Part 3300, drafts of which were published in the FEDERAL REGISTER on May 16, 1974.

A public hearing will be held in the Auditorium, Department of the Interior, Washington, D.C., beginning at 10:00 a.m., Monday, July 15, 1974, and continuing, if necessary, through July 16, 1974. The hearing will be conducted by a Departmental Administrative Law Judge from the Office of Hearings and Appeals, and there will be a Panel composed of appropriate policy officers of the Department of the Interior who will ask questions of the witnesses.

Interested individuals, representatives of organizations, and public officials wishing to testify at the hearing are requested to contact the Director, Geological Survey, National Headquarters Center, U.S. Geological Survey, Reston, Virginia 22092 by July 8, 1974. After receiving requests from those wishing to testify at the hearing, the Department will prepare a schedule showing the order of appearance and the probable time at which a witness will testify. This schedule will be available on Friday, July 12, 1974, at the office of the U.S. Geological Survey, Room 4441 Interior Building, Washington, D.C. 20240. It should be understood that the schedule will be necessarily tentative.

Written comments from those unable to attend the hearing should be admitted to the Director, U.S. Geological Survey, at the address given above. Written testimony and comments, including both suggested modifications of, or amendments to, the draft regulation and alternative proposals, should be submitted to the Director, U.S. Geological Survey by the close of business, July 8, 1974. The purpose of requesting such comments prior to the hearing is to assist the Department in the conduct of the hearing. Written comments may be submitted to the same officer after the hearing and will be received until the close of business on Friday, August 23, 1974. During this second comment period, the Department wishes to receive not only comments from those unable to testify at the hearing and supplemental materials from those presenting oral testimony, but also comments upon the testimony of other witnesses. After all comments and recommendations have been received and studied, the Department will publish a proposed regulation for comment.

Time limitations make it necessary to limit the length of oral presentations to fifteen minutes ordinarily but any witness wishing longer may so request. If there is sufficient justification given, a longer time may be granted. In order to afford the interested public maximum opportunity for participation in the offering of oral testimony, organizations are encouraged to have only one spokesman present oral testimony at the hearing. However, organizations may obtain advance permission to offer more than one spokesman or witness at the hearing upon making a clear showing that the Panel will benefit by this type of presentation and that it will avoid repetitive statements by the separate members of the organization. Witnesses are encouraged to avoid repetitive testimony. Endorsement of previous testimony is preferred to repetition of the same reasons for such views. An oral statement may be supplemented by a more complete written statement which may be submitted to the hearing officer at the time of presentation of the oral statement or at any time until August 23. Written statements presented in person at the hearing will be considered for inclusion in the hearing record. To the extent that time is available after presentation of oral statements by those who have given advance notice, the Administrative Law Judge will give others present an opportunity to be heard.

At the hearing, questions will be asked only by the members of the Panel, but, if any person wishes to have particular questions asked, he should submit the questions to the Panel by July 8. If any person present at the hearing should wish a question to be asked, it may be submitted in writing at any time to the Panel. However, the Panel will have complete discretion as to which question to ask. Questions asked by members of the Panel should not be interpreted as indicating any departmental position.

At the hearing and in the written comments, both before and after the

hearing, the Department particularly wishes to receive both comments on the draft regulations and recommendations as to alternative methods of serving the public interest by requiring submittal and eventual disclosure of geological and geophysical data obtained on OCS lands.

The Department has identified the following questions which it would like to see fully explored at the hearing and in comments: (1) How will the proposed terms of data disclosure for unleased areas (i.e., 10 years after collection) affect the volume, type, or timing of data collected by geophysical firms? Or the purchase of such data by companies interested in bidding at OCS sales? (2) How will the proposed terms of data disclosure for leased areas (i.e., 60 days after the sale) affect the volume, type, and timing of data collected in advance of sales by geophysical firms? Or the purchase of such data by companies interested in bidding at OCS sales? (3) How will the proposed terms of data disclosure for leased areas (i.e., 60 days after collection) affect the volume, type, and timing of data collected after the lease is sold? (4) Would these proposed regulations in terms of data submittal actually harm or benefit, and in what way, the geophysical firms? The major oil and gas companies? The independents and other companies interested in bidding? The Federal Government? (5) Would these proposed regulations in terms of data disclosure actually harm or benefit, and in what way, the geophysical firms? The major oil and gas companies? The independents and other companies interested in bidding? The public? The Federal Government? (6) What would be the necessary conditions for public availability of data to be meaningful: location of the data? data format? quickness of response to requests? (7) Are there other actions that the Department should take to increase the amount and availability of geological and geophysical data to the independent oil and gas companies and the public at large? (8) Under the proposed conditions would the additional data increase participation by independent oil companies in offshore exploration? (9) Would increased data under the proposed conditions affect the bidding for individual tracts?

JOHN C. WHITAKER,
Under Secretary of the Interior.

MAY 30, 1974.

[FR Doc.74-12766 Filed 5-31-74;9:19 am]

DEPARTMENT OF AGRICULTURE

Animal and Plant Health Inspection Service

HUMANELY SLAUGHTERED LIVESTOCK

Identification of Carcasses; Changes in Lists of Establishments

Pursuant to section 4 of the Act of August 27, 1958 (7 U.S.C. 1904), and the statement of policy thereunder in 9 CFR 391.1, the lists (39 FR 5336 and 14735) of establishments which are operated under Federal inspection pursuant to the Federal Meat Inspection Act, as amended (21 U.S.C. 601 et seq.), and which use humane methods of slaughter and handling of livestock are hereby amended as follows:

The reference to calves, sheep, and goats with respect to Amco-Pac Corporation, Establishment 809, is deleted.

The following table lists species at additional establishments and additional species at previously listed establishments that have been reported as being slaughtered and handled humanely.

Establishments slaughtering humanely

Name of establishment	Establishment No.	Cattle	Calves	Sheep	Goats	Swine	Equines
Madison Food, Inc.	2923					(*)	
Houston Frosted Foods, Inc.	7090	(*)	(*)	(*)	(*)	(*)	
Alpine Food Service	9238	(*)	(*)	(*)		(*)	

New establishments reported: 3.

Done at Washington, DC, on May 24, 1974.

G. H. WISE,
Acting Administrator, Animal and Plant Health Inspection Service.

[FR Doc.74-12566 Filed 5-31-74;8:45 am]

Office of the Secretary

AGRICULTURAL RESEARCH POLICY ADVISORY COMMITTEE

Notice of Meeting

Notice is hereby given in accordance with the Federal Advisory Committee Act that a meeting of the Agricultural Research Policy Advisory Committee (ARPAC) will be held at 9 a.m. on Monday, June 10, 1974 in room 218A of the USDA Administration Building, Independence Avenue between 12th and 14th Streets, NW., Washington, D.C.

The Committee is jointly sponsored and chaired by the Department of Agriculture and the National Association of State Universities and Land Grant Colleges.

The matters to be considered at this meeting include activities and progress in national and regional planning for agricultural research, general relationships between USDA and university research agencies, activities by other organizations of interest to ARPAC, and future ARPAC plans and actions.

The meeting will be open to the public. Attendance will be limited to the space available. While no oral presentations will be entertained, anyone may file with the Committee, before or after the meeting a written statement concerning the matters to be discussed. Persons who wish to file written statements, may submit them to Dr. David J. Ward, Research Planning and Coordination, Office of the Secretary, Room 307-A, USDA, Washington, D.C. 20250—Telephone 202-447-3854. A record of the meeting will be available for public inspection at the above address three weeks after the meeting.

Dated: May 28, 1974.

ROBERT W. LONG,
Assistant Secretary for Conservation, Research and Education.

[FR Doc.74 12602 Filed 5-31-74;8:45 am]

NATIONAL AGRICULTURAL RESEARCH PLANNING COMMITTEE

Notice of Meeting

Notice is hereby given in accordance with the Federal Advisory Committee Act that a meeting of the National Agricultural Research Planning Committee (NPC) will be held at 9 a.m. on Tuesday, June 11, 1974 in room 509-A, of the USDA Administration Building, Independence Avenue between 12th and 14th Streets, NW., Washington, D.C.

The Committee is jointly sponsored and chaired by the Department of Agriculture and the National Association of State Universities and Land Grant Colleges. The Committee deals with the planning element of the Agricultural Research Policy Advisory Committee (ARPAC).

The matters to be considered at this meeting include activities and progress in national and regional planning for agricultural research, implementation of task force reports, and future NPC plans and actions.

The meeting will be open to the public. Attendance will be limited to the space available. While no oral presentations will be entertained, anyone may file with the Committee, before or after the meeting a written statement concerning the matters to be discussed. Persons who wish to file written statements, may submit them to Dr. David J. Ward, Research Planning and Coordination, Office of the Secretary, Room 307-A, USDA, Washington, D.C. 20250—Telephone 202-447-3854. A record of the meeting will be available for public inspection at the above address three weeks after the meeting.

Dated: May 28, 1974.

ROBERT W. LONG,
Assistant Secretary for Conservation, Research and Education.

[FR Doc.74-12603 Filed 5-31-74;8:45 am]

Packers and Stockyards Administration

PARAGOULD STOCKYARD, PARAGOULD, ARKANSAS, ET AL.

Posted Stockyards

Pursuant to the authority delegated under the Packers and Stockyards Act, 1921, as amended (7 U.S.C. et seq.), it was ascertained that the livestock markets named below were stockyards within the definition of that term contained in section 302 of the Act, as amended (7 U.S.C. 202), and notice was given to the owners and to the public by posting notices at the stockyards as required by said section 302, on the respective dates specified below.

Facility number, name, and location of stockyard, and date of posting

ARKANSAS

AR-151, Paragould Stockyard, Paragould, March 6, 1974.
AR-152, Salem Horse Auction, Salem, March 3, 1974.

INDIANA

IN-152, Indinapolis Livestock Market, Indianapolis, April 16, 1974.

IOWA

IA-250, Montezuma Sale Company, Montezuma, May 9, 1974.

MISSISSIPPI

MS-152, Davis Livestock Commission Company, Ecru, April 22, 1974.

MISSOURI

MO-236, Mid-West Livestock Market, Inc., Nevada, May 6, 1974.

TEXAS

TX-304, Hamilton Livestock Commission, Inc., Hamilton, February 19, 1974.

WISCONSIN

WI-132, Midwest Livestock Producers Cooperative, Dale, February 18, 1974.

Done at Washington, D.C., this 28th day of May, 1974.

EDWARD L. THOMPSON,
Chief, Registrations, Bonds, and Reports Branch, Livestock Marketing Division.

[FR Doc.74-12607 Filed 5-31-74;8:45 am]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Food and Drug Administration

DIAGNOSTIC X-RAY SYSTEMS

Notice of Availability of Petition To Amend Performance Standard

The Hearing Clerk, Food and Drug Administration, has received from the Commissioner of Health of the City of New York, a petition under 5 U.S.C. 553(e) for the Commissioner of Food and Drugs to exercise his authority under section 358 of the Radiation Control for Health and Safety Act of 1968 to amend the performance standard for diagnostic x-ray systems and their major components, § 1020.30 (21 CFR 1020.30).

The petition proposes that Part 1020 be amended by adding a new § 1020.33, applicable to image receptors as defined in § 1020.30(b)(19) and for use with diagnostic x-ray equipment.

Among other requirements, the petitioner proposes that manufacturers of image receptors provide for purchasers and others, instruction sheets or labels to include, for intraoral dental radiographic film, a statement of the film speed as determined by the manufacturer at time of shipment, and a label on all film packages stating the film speed, expressed in reciprocal roentgens.

The petition would require all intraoral dental x-ray films to have a speed range of no less than 12–24 reciprocal roentgens. The petition also specifies certain conditions for determination of the film speed.

The petitioner further proposes that manufacturers of chemical developers or processing systems intended to be used with dental intraoral radiographic film provide for purchasers and others, instruction sheets or labels to include information on the effect, if any, of the use of the developing chemicals or processors on the speed of any dental intraoral radiographic film, and the optimum conditions of temperature and time which will result in a dental radiographic film achieving an average density of 1.0 above the base and fog density.

It is the intent of the FDA that the petition be presented to the Technical Electronic Product Radiation Safety Standards Committee at their next meeting scheduled for September 18 and 19, 1974. This Committee, a statutory advisory committee to the Secretary of Health, Education, and Welfare, must be consulted prior to the establishment of standards under the Radiation Control for Health and Safety Act of 1968. Opportunity will be provided at this meeting for petitioners and others to present their views and supporting documentation. Within reasonable time constraints, there will be included ample opportunity for discussion and interchange between the Committee and others present.

The final decision whether or not to amend the standard will not be made by the Commissioner of Food and Drugs until recommendations of the Committee have been reviewed.

The petition and other documents submitted, including the grounds in support of the petition, are available for public review in the office of the Hearing Clerk, Food and Drug Administration, Rm. 6-86, 5600 Fishers Lane, Rockville, MD 20852.

Dated: May 24, 1974.

SAM D. FINE,
Associate Commissioner for Compliance.

[FR Doc.74-12628 Filed 5-31-74;8:45 am]

OVER-THE-COUNTER PRODUCTS USED IN THE RELIEF OF SORE THROAT

Safety and Efficacy Review; Request for Data and Information

The Food and Drug Administration is undertaking a review of all over-the-counter (OTC) drug products for human use currently marketed in the United States, to determine that these OTC products are safe and effective for their labeled indications. This review will utilize expert panels working with FDA personnel. The review is being conducted pursuant to 21 CFR 330.10 (formerly 21 CFR 130.301(a)(1) through (12), recodified in the FEDERAL REGISTER of March 29, 1974 (39 FR 11741)).

Pursuant to 21 CFR 330.10(a)(2), two notices requesting data and information have been published in the FEDERAL REGISTER: one covering OTC oral cavity drug products published on July 20, 1973 (38 FR 19444) and another covering OTC cold, cough, allergy, bronchodilator, and antiasthmatic drug products published on August 9, 1972 (37 FR 16029).

As a result of these notices, material has been received by the two separate review panels concerning products having among their labeling claims a claim for the relief of a "sore throat." Administratively, it has been decided to have the "sore throat" claim reviewed by the OTC Oral Cavity Drug Products Panel. Accordingly, the subject area of this Panel has been expanded to include OTC drug products for use in the area of the pharynx including OTC products for symptomatic relief of laryngitis, pharyngitis, and tonsillitis, as well as the claim for "sore throat."

Data submitted to the OTC Cold, Cough, Allergy, Bronchodilator, and Antiasthmatic Drug Products Panel pursuant to the notice in the FEDERAL REGISTER of August 9, 1972 (37 FR 16029), relating to claims for "sore throat" or other conditions of the oropharnyx such as laryngitis, pharyngitis, and tonsillitis should be resubmitted for consideration by the OTC Oral Cavity Drug Products Panel.

Material submitted to the OTC Oral Cavity Drug Products Panel pursuant to the notice in the FEDERAL REGISTER of July 20, 1973 (38 FR 19444), need not be resubmitted.

To facilitate this review and a determination as to whether an OTC drug for human use is generally recognized as safe and effective and not misbranded under its recommended conditions of use and to provide all interested persons an opportunity to present for the consideration of the reviewing experts the best data and information available to support the stated claims for all dosage forms of oropharynx and "sore throat" drug products, FDA invites submission of data published and unpublished and other information pertinent to all active ingredients utilized in such preparations.

Interested persons are invited to submit data on any active ingredient offered for OTC use for the treatment of "sore throat" and other conditions relating to the oropharynx, including OTC products for symptomatic relief of laryngitis, pharyngitis, and tonsillitis.

To be considered, eight copies of the data and/or views must be submitted, preferably bound, indexed, and on standard size paper (approximately 8½x11

inches). All submissions must be in the format described below:

I. Label(s) and all labeling (preferably mounted and filed with the other data—facsimile labeling is acceptable in lieu of actual container labeling).

II. A statement setting forth the quantities of active ingredients of the drug.

III. Animal safety data.

A. Individual active components.

1. Controlled studies.

2. Partially controlled or uncontrolled studies.

B. Combinations of the individual active components.

1. Controlled studies.

2. Partially controlled or uncontrolled studies.

C. Finished drug product.

1. Controlled studies.

2. Partially controlled or uncontrolled studies.

IV. Human safety data.

A. Individual active components.

1. Controlled studies.

2. Partially controlled or uncontrolled studies.

3. Documented case reports.

4. Pertinent marketing experiences that may influence a determination as to the safety of each individual active component.

5. Pertinent medical scientific literature.

B. Combinations of the individual active components.

1. Controlled studies.

2. Partially controlled or uncontrolled studies.

3. Documented case reports.

4. Pertinent marketing experiences that may influence a determination as to the safety of combinations of the individual active components.

5. Pertinent medical and scientific literature.

C. Finished drug product.

1. Controlled studies.

2. Partially controlled or uncontrolled studies.

3. Documented case reports.

4. Pertinent marketing experiences that may influence a determination as to the safety of the finished drug product.

5. Pertinent medical and scientific literature.

V. Efficacy data.

A. Individual active components.

1. Controlled studies.

2. Partially controlled or uncontrolled studies.

3. Documented case reports.

4. Pertinent marketing experiences that may influence a determination on the efficacy of each individual active component.

5. Pertinent medical and scientific literature.

B. Combinations of the individual active components.

1. Controlled studies.

2. Partially controlled or uncontrolled studies.

3. Documented case reports.

4. Pertinent marketing experiences that may influence a determination on the efficacy of combinations of the individual active components.

5. Pertinent medical and scientific literature.

C. Finished drug product.

1. Controlled studies.

2. Partially controlled or uncontrolled studies.

3. Documented case reports.

4. Pertinent marketing experiences that may influence a determination on the efficacy of the finished drug product.

5. Pertinent medical and scientific literature.

VI. A summary of the data and views setting forth the medical rationale and purpose (or lack thereof) for the drug and its ingredients and the scientific basis (or lack thereof) for the conclusion that the drug and its ingredients have been proven safe and effective for the intended use. If there is an absence of controlled studies in the material submitted, an explanation as to why such studies are not considered necessary must be included.

VII. If the submission is by a a manufacturer, a statement signed by the person responsible for such submission, that to the best of his knowledge it includes all unfavorable information, as well as any favorable information available to him pertinent to an evaluation of the safety, effectiveness, and labeling of such a product, including information derived from investigations, consumer complaints, commercial marketing or published literature.

Data and information must be submitted on or before August 2, 1974, to: Food and Drug Administration, Bureau of Drugs, OTC Drug Products Evaluation Staff (HFD–109), 5600 Fishers Lane, Rockville MD 20852.

Dated: May 24, 1974.

SAM D. FINE,
Associate Commissioner for Compliance.

[FR Doc.74–12626 Filed 5–31–74;8:45 am]

Office of the Secretary

[Contract No. HEW–OS–74–113]

ANALYSIS OF UTILIZATION OF MEDI-CAL SERVICES THROUGH USE OF DATA FROM THE PAID CLAIMS SYSTEM

Notice of Contract Award

Pursuant to section 606 of the Economic Opportunity Act of 1964, as amended, 42 USC 2946, this agency announces the award of Contract No. HEW–OS–74–113 to The Urban Institute, 2100 M Street, NW., Washington, D.C. 20037, for a research project entitled "Analysis of Utilization of Medi-Cal Services Through Use of Data from the Paid Claims System." The purpose of the project is to (1) analyze the effects of resource availability (e.g., physicians, hospital beds, etc.) on the utilization of selected services (hospital inpatient care, physician services, hospital outpatient services, drugs, etc.) by California Medicaid recipients and (2) analyze the impact of the San Joaquin Foundation on utilization rates for the services indicated above. The estimated cost of this contract is $79,728.00 and the intended completion date is September 9, 1974.

WILLIAM A. MORILL,
Assistant Secretary for Planning and Evaluation.

APRIL 25, 1974.

[FR Doc.74–12622 Filed 5–31–74;8:45 am]

DEPARTMENT OF TRANSPORTATION

Federal Railroad Administration

[FRA Waiver Petition No. HS–74–3]

PORT UTILITIES COMMISSION OF CHARLESTON, SOUTH CAROLINA

Notice of Petition for Exemption From Hours of Service Act

The Port Utilities Commission of Charleston, South Carolina, has petitioned the Federal Railroad Administration pursuant to 45 U.S.C. 64a(e) for an exemption, with respect to certain employees, from the Hours of Service Act, 45 U.S.C. 61, 62, 63 and 64.

Interested persons are invited to participate in this proceeding by submitting written data, views, or comments. Communications should be submitted in triplicate to the Docket Clerk, Office of Chief Counsel, Federal Railroad Administration, Attention: FRA Waiver Petition No. HS–74–3, Room 5101, 400 Seventh Street, SW., Washington, D.C. 20590. Communications received before July 1, 1974, will be considered before final action is taken on this petition. All comments received will be available for examination by interested persons during business hours in Room 5101. Nassif Building, 400 Seventh Street, SW., Washington, D.C. 20590.

Issued in Washington, D.C., on May 28, 1974.

DONALD W. BENNETT,
Chief Counsel, Federal Railroad Administration.

[FR Doc.74–12590 Filed 5–31–74;8:45 am]

National Highway Traffic Safety Administration

BUICK AND CADILLAC DEFECTS INVESTIGATIONS

Public Proceeding Regarding Engine Mount Failures

Pursuant to section 113 of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1361 et seq., 1402), the Associate Administrator, Motor Vehicle Programs, has made an initial determination that a defect relating to motor vehicle safety exists with respect to failures of engine mounts in 1965 through 1968 Buick Wildcat and Electra 225 models and the 1970 Cadillac (except late production and El Dorado models with cruise control) manufactured by General Motors because such failures can affect driver control over the engine throttle.

A public proceeding will be held at 10:00 a.m., June 18, 1974, in Room 5332, Department of Transportation Headquarters, 400 Seventh Street, SW., Washington, D.C. 20590, at which General Motors will be afforded an opportunity to present its views and evidence to establish that the alleged defect does not exist or does not affect motor vehicle

safety. Interested persons are invited to participate through written or oral presentations. A transcript will be kept and exhibits may be accepted. There will be no cross examination of witnesses.

The agency's investigative file in this matter is available for public inspection during regular working hours in the Technical Reference Division, Room 5108, 400 Seventh Street SW., Washington, D.C. 20590.

(Sec. 113, Pub. L. 89-563, 80 Stat. 718 (15 U.S.C. 1402); delegations of authority at 49 CFR 1.51 and 49 CFR 501.8.)

Issued on May 28, 1974.

ROBERT L. CARTER,
Associate Administrator, Motor Vehicle Programs.

[FR Doc.74-12639 Filed 5-31-74;8:45 am]

ATOMIC ENERGY COMMISSION

[Docket Nos. 50-249, 50-254]

COMMONWEALTH EDISON CO. AND IOWA-ILLINOIS GAS AND ELECTRIC CO.

Notice of Issuance of Facility License Amendments

Notice is hereby given that the U.S. Atomic Energy Commission (the Commission) has issued Amendment Nos. 3 and 8 to Facility Operating License Nos. DPR-25 and DPR-29 (respectively) to the Commonwealth Edison Company (and in the matter of License No. DPR-29, the Iowa-Illinois Gas and Electric Company) which revised Technical Specifications for operation of the Dresden Unit 3 (located in Grundy County, Illinois) and Quad-Cities Unit 1 (located in Rock Island County, Illinois).

The amendments permit replacement of one reactor coolant system electromatic relief valve with a combination safety/relief valve and other related changes.

The application for the amendments complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations, and the Commission has made appropriate findings as required by the Act and the Commission's rules and regulations in 10 CFR Ch. I which are set forth in the license amendments.

For further details with respect to these actions, see (1) the application for amendment dated March 29, 1974, and supplements thereto dated April 18 (50-249 only), April 24 (50-254 only), and April 22, 1974, (2) Amendment Nos. 3 and 8 to License Nos. DPR-25 and DPR-29, with any attachments, and (3) the Commission's related Safety Evaluation. All of these items are available for public inspection at the Commission's Public Document Room, 1717 H Street, NW., Washington, D.C., and at the Morris Public Library at 604 Liberty Street in Morris, Illinois 60451 (for those items relating to Dresden Unit 3), and at the Moline Public Library at 504-17th Street in Moline, Illinois 60265 (for those items relating to Quad-Cities Unit 1).

A copy of items (2) and (3) may be obtained upon request addressed to the Atomic Energy Commission, Washington, D.C. 20545, Attention: Deputy Director for Reactor Projects, Directorate of Licensing-Regulation.

Dated at Bethesda, Md., this 24th day of May 1974.

For the Atomic Energy Commission.

DENNIS L. ZIEMANN,
Chief, Operating Reactors Branch No. 2, Directorate of Licensing.

[FR Doc.74-12632 Filed 5-31-74;8:45 am]

[Docket Nos. 50-254, 50-265]

COMMONWEALTH EDISON CO. AND IOWA-ILLINOIS GAS AND ELECTRIC CO.

Notice of Issuance of Amendments to Facility Licenses

Notice is hereby given that the U.S. Atomic Energy Commission (the Commission) has issued Amendment Nos. 9 and 5 to Facility Operating License Nos. DPR-29 and DPR-30 (respectively) to the Commonwealth Edison Company (acting for itself and on behalf of the Iowa-Illinois Gas and Electric Company) which revised Technical Specifications for operation of the Quad-Cities Units 1 and 2 (located in Rock Island County, Illinois).

The amendments permit a change (from Automatic Dispatch System to Economic Generation Control System) in the title of the generation control network of Units 1 and 2.

The application for the amendments complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations, and the Commission has made appropriate findings as required by the Act and the Commission's rules and regulations in 10 CFR Ch. I which are set forth in the license amendments.

For further details with respect to these actions, see (1) the application for amendment dated January 23, 1974, (2) Amendment Nos. 9 and 5 to License Nos. DPR-29 and DPR-30, with any attachments, and (3) the letter to Commonwealth transmitting Amendments 9 and 5 which includes a statement as to our findings. All of these items are available for public inspection at the Commission's Public Document Room, 1717 H Street, NW., Washington, D.C., and at the Moline Public Library at 504-17th Street in Moline, Illinois 60265.

A copy each of items (2) and (3) may be obtained upon request addressed to the Atomic Energy Commission, Washington, D.C. 20545, Attention: Deputy Director for Reactor Projects, Directorate of Licensing—Regulation.

Dated at Bethesda, Md., this 24th day of May 1974.

For the Atomic Energy Commission.

DENNIS L. ZIEMANN,
Chief, Operating Reactors Branch No. 2, Directorate of Licensing.

[FR Doc.74-12633 Filed 5-31-74;8:45 am]

[Docket Nos. 50-424—50-427]

GEORGIA POWER CO.

Notice of Limited Work Authorization

Pursuant to the provisions of 10 CFR 50.10(e) of the Atomic Energy Commission's (Commission) regulations, the Commission has authorized the Georgia Power Company to conduct certain site activities in connection with the Alvin W. Vogtle Nuclear Plant, Units 1, 2, 3 and 4 prior to a decision regarding the issuance of a construction permit.

The activities that are authorized are within the scope of those authorized by 10 CFR 50.10(e)(1) and include: (1) Clearing and grading of the plant site and excavation and dewatering for Units 1 and 2 power block structures (reactor buildings, turbine buildings, auxiliary/fuel handling/control buildings, nuclear service cooling towers, standby nuclear service make-up wells, diesel generator buildings, and service/administration building), including non-structural measures necessary to protect the excavation (concrete mud slabs and gunite); (2) clearing, grading, excavation and installation of the railroad spur, both on and off-site; (3) erection of concrete batch plants; (4) installation or erection of construction facilities (offices, warehouse, shops, roads, fences, and other security facilities, temporary power and water facilities and permanent make-up wells; (5) installation of sewage treatment plants; (6) excavation and construction of silt and debris basins, including sheet-pile dams and overflow structures; and (7) installation of fire protection facilities.

This authorization is subject to the following conditions for the protection of the environment: (1) During the construction provided by this authorization, the applicant shall take the necessary mitigating actions, including those commitments summarized in Section 4.5 of the AEC staff's Final Environmental Statement, to avoid unnecessary adverse environmental impacts from construction activities; (2) Before engaging in a construction activity which may result in a significant adverse environmental impact that was not evaluated or that is significantly greater than that evaluated in the Final Environmental Statement, the applicant shall provide written notification to the Director of Licensing; (3) A control program shall be established by the applicant to provide for a periodic review of all construction activities to assure that those activities conform to the environmental conditions set forth herein; (4) If unexpected harmful effects or evidence of irreversible damage are detected during facility construction, the applicant shall provide to the staff an acceptable analysis of the problem and a plan of action to eliminate or significantly reduce the harmful effects or damage.

Any activities undertaken pursuant to this authorization are entirely at the risk of the Georgia Power Company and the grant of the authorization has no bearing on the issuance of a construction permit with respect to the requirements of the

Atomic Energy Act of 1954, as amended, and rules, regulations, or orders promulgated pursuant thereto.

An Initial Decision on National Environmental Policy Act and site suitability issues by the Atomic Safety and Licensing Board in the above-captioned proceeding was issued on May 24, 1974. A copy of (1) the Initial Decision; (2) the Applicant's Preliminary Safety Analysis Report, and amendments thereto; (3) the Applicant's Environmental Report, and amendments thereto; (4) the staff's Final Environmental Statement dated March 1974; and (5) the Commission's letter of authorization dated May 28, 1974, are available for public inspection at the Commission's Public Document Room at 1717 H Street, NW., Washington, D.C. and at the Burke County Library, 4th Street, Waynesboro, Georgia.

Dated at Bethesda, Maryland this 28th day of May 1974.

For the Atomic Energy Commission.

ROGER BOYD,
Acting Deputy Director for Reactor Projects, Directorate of Licensing.

[FR Doc.74-12631 Filed 5-31-74;8:45 am]

[Docket Nos. 50-466A, 467A]

HOUSTON LIGHTING & POWER CO.

Receipt of Attorney General's Advice and Time for Filing of Petitions To Intervene on Antitrust Matters

The Commission has received, pursuant to section 105c, of the Atomic Energy Act of 1954, as amended, a letter of advice from the Attorney General of the United States, dated May 17, 1974, a copy of which is attached as Appendix A below.

Any person whose interest may be affected by this proceeding may, pursuant to § 2.714 of the Commission's rules of practice, 10 CFR Part 2, file a petition for leave to intervene and request a hearing on the antitrust aspects of the application. Petitions for leave to intervene and requests for hearing shall be filed by July 1, 1974 either (1) by delivery to the AEC Public Document Room at 1717 H Street, NW., Washington, D.C., or (2) by mail or telegram addressed to the Secretary, U.S. Atomic Energy Commission, Washington, D.C., 20545, Attn: Chief, Public Proceedings Branch.

For the Atomic Energy Commission.

ABRAHAM BRAITMAN,
Chief, Office of Antitrust and Indemnity, Directorate of Licensing.

APPENDIX A

HOUSTON LIGHTING & POWER COMPANY, ALLEN'S CREEK NUCLEAR GENERATING STATION, UNITS 1 AND 2, DEPARTMENT OF JUSTICE FILE 60-415-71

MAY 17, 1974.

You have requested our advice pursuant to the provisions of section 105 of the Atomic Energy Act of 1954, as amended, in regard to the above-captioned application.

Applicant, Houston Lighting & Power Company, has applied for a construction permit for its Allen's Creek Station, Units 1 and 2. The facility will be located in Austin County, Texas. Operation of Unit #1 is scheduled for March 1980 with Unit #2 to follow in March 1982. Each unit will include a 1,150 megawatt electric generating unit.

Description of applicant. Applicant is engaged primarily in the production, transmission, distribution, and sale of electric energy to residential, commercial, and industrial customers in the Houston Gulf Coast Area in the State of Texas. Its peak load for 1972 was 6,238,000 kw. As of December 31, 1972, Applicant provided electric service at retail in 151 communities (both incorporated and unincorporated). Applicant provides wholesale power to the South East Division of the Community Public Service Company which in turn distributes this energy at retail in 11 cities and towns. Under a limited contract extending to 1977, Applicant provides a small portion, approximately 4 percent, of the bulk power requirements of the Wharton Electric Cooperative. As of 1972, Applicant served approximately 2 percent of the geographic area of Texas and approximately 19 percent of the state's population. It furnished about 22 percent of the electricity consumed in the state. As of December 31, 1972, Applicant had a net generating capability of 7,375,000 kilowatts and had 670,023 customers in the 5600 square mile area served. Revenues for the year 1972 were $363,640,000. It is estimated that by 1982, the total net capacity of the Applicant's system will be 16,620,000 kilowatts.

Interconnection and coordination with others. Applicant is a member of the Texas Interconnected System (TIS). TIS is a group of nine interconnected electric systems that operate throughout the State of Texas. TIS is comprised of six investor-owned and three publicly owned electric systems. The members of TIS have an oral understanding with regard to the minimum installed reserves and spinning reserves that each member will maintain. The members of TIS also conduct various studies relating to the need for, and effects of, any future transmission and generation changes planned by the members. Thus, membership in TIS allows each member system to obtain various benefits from such coordination that are not available to non-members.

The members of TIS have in operation, under construction or in planning a number of 345 KV transmission lines which will form various loops among the member systems to substantially improve the system reliability of each member. These interconnections may also allow power interchanges to improve the operating economy of the members.

Applicant as well as the other members of TIS operate wholly within the State of Texas. Applicant is not subject to regulation by the Federal Power Commission. Neither is there any state regulatory body in Texas having jurisdiction over the rates of electric utilities.

In the past, membership in TIS has not been available to all of the electric utility systems in Texas, even where the non-member system was of sufficient size to make a contribution to the reliability of the bulk power supply of the members. This situation has recently changed and membership in TIS is being made available to other systems.

Results of antitrust review. Applicant has been and is engaging in discussions with other electric utility systems in the South Texas area concerning the joint ownership of nuclear generating facilities. These discussions have involved both TIS member and non-member systems. At present it appears that the Allen's Creek units will be wholly owned by Applicant, but that one or more other nuclear facilities currently being planned will be jointly owned by Applicant and several other systems. The Department has uncovered no evidence that would indicate that Applicant is attempting to prevent participation in the joint ownership of nuclear facilities by any system or is otherwise presently impairing the competitive opportunities of other systems.

Conclusion. In view of the above, the Department concludes that an antitrust hearing will not be necessary with respect to the instant application.

[FR Doc.74-12599 Filed 5-31-74;8:45 am]

[Docket Nos. 50-463A, 50-464A]

PHILADELPHIA ELECTRIC CO.

Receipt of Attorney General's Advice and Time for Filing of Petitions To Intervene on Antitrust Matters

The Commission has received, pursuant to section 105c of the Atomic Energy Act of 1954, as amended a letter of advice from the Attorney General of the United States, dated May 20, 1974, a copy of which is attached as Appendix A below.

Any person whose interest may be affected by this proceeding may, pursuant to § 2.714 of the Commission's "Rules of Practice," 10 CFR Part 2, file a petition for leave to intervene and request a hearing on the antitrust aspects of the application. Petitions for leave to intervene and requests for hearing shall be filed by July 1, 1974 either (1) by delivery to the AEC Public Document Room at 1717 H Street, NW., Washington, D.C., or (2) by mail or telegram addressed to the Secretary, U.S. Atomic Energy Commission, Washington, D.C., 20545, Att: Chief, Public Proceedings Branch.

For the Atomic Energy Commission.

ABRAHAM BRAITMAN,
Chief, Office of Antitrust and Indemnity, Directorate of Licensing.

APPENDIX A

FULTON GENERATING STATION, UNITS 1 AND 2, PHILADELPHIA ELECTRIC COMPANY, AEC DOCKET NOS. 50-463A AND 50-464A, DEPARTMENT OF JUSTICE FILE 60-415-59

MAY 20, 1974.

You have requested our advice pursuant to the provisions of section 105 of the Atomic Energy Act of 1954, as amended, in regard to the above-captioned application.

Applicant Philadelphia Electric Company (PE) has applied for licenses authorizing it to construct and operate two utilization facilities to be known as Fulton Generating Station, Units Nos. 1 and 2. The facilities will be located at PE's site in Fulton Township, Lancaster County, Pennsylvania. Each unit will have an approximate net electrical capacity of 1,160,000 kilowatts.

Applicant. PE is a privately-owned utility which supplies electric power service for the city of Philadelphia, Pennsylvania, five surrounding counties in southeast Pennsylvania and, through a subsidiary, two counties in Maryland. Gas service is provided in the five surrounding counties of Philadelphia and steam heat service in central Philadelphia and portions of West Chester, Pennsylvania.

For the twelve-month period ended October 31, 1973, PE had total electric sales of 26,214,000 megawatt hours, it had total elec-

tric output of 28,148,000 megawatt hours of which 2,274,000 megawatt hours were from nuclear facilities. The peak load (net hourly demand) was 5,760,000 kilowatts. As of October 31, 1973, PE had 1,225,360 electric power customers of which 1,099,498 were residential.

PE already operates some nuclear generating facilities, having received a construction permit from the AEC in February, 1962, to construct a nuclear power plant at Peach Bottom, York County, Pennsylvania. This facility is now in operation. In 1968, the AEC granted permits for two additional nuclear generating units to be built at the Peach Bottom site. These units are now under construction. These two units are co-owned by Philadelphia Electric (42.49 percent), Public Service Electric and Gas Company (42.49 percent), Atlantic City Electric Company (7.51 percent) and Delmarva Power and Light Company (7.51 percent). These companies are entitled to energy from the units in proportion to their ownership interests.

PE has applied to the Commission to build two units to be known as Limerick Generating Station, Units 1 and 2. The Department of Justice has advised the AEC that it need not conduct an antitrust hearing with respect to these Limerick facilities.

PE has a 42.59 percent ownership interest in two nuclear generating units being built by Public Service Electric and Gas Company near Salem, New Jersey. Public Service Electric and Gas has a 42.59 percent interest and Atlantic City Electric Company and Delmarva Power and Light Company each have 7.41 percent interest in these units. The companies are entitled to energy from these units in proportion to their ownership interests. PE will also own 15 percent of two units to be known as Summit Power Station, Units 1 and 2, for which Delmarva Power and Light Company has applied for a construction permit. The Department of Justice has advised the AEC that it need not conduct an antitrust hearing with respect to these applications by Delmarva Power and Light.

Interconnections and coordination with other systems. PE belongs to the Mid-Atlantic Area Coordination Agreement, also known as the Pennsylvania-New Jersey-Maryland Interconnection (PJM Pool). This pool agreement provides for a high degree of coordination and facilities planning among its members. The other members are Public Service Electric and Gas Company, Pennsylvania Power and Light Company, Baltimore Gas and Electric Company, Potomac Electric Power Company, UGI Corporation, and three companies owned by General Public Utilities Corporation (Jersey Central Power and Light Company, Metropolitan Edison Company, and Pennsylvania Electric Company. Atlantic City Electric Company and Delmarva Power and Light Company are also members of the PJM Pool connecting to the pool through PE. On July 31, 1973, New Jersey Power and Light Company, which had been a PJM member, was merged into Jersey Central Power and Light.

Other than among members of the PJM Pool, PE has agreements to receive and deliver power or other coordinating and interconnecting agreements with a number of power companies. The PJM Pool itself has such arrangements with Niagara Mohawk Power Company, New York State Electric and Gas Company, West Penn Power Company, Potomac Edison Company, Monongahela Power Company, Virginia Electric and Power Company, and the Cleveland Electric Illuminating Company. PE has an agreement with Baltimore Gas and Electric Company (a PJM member) whereby PE operates a 220-kilovolt transmission circuit to the Pennsylvania-Maryland border. An agreement with Public Service Electric and Gas Company (a PJM member) provides for an interconnection between the Buckingham Substation of PE and the Pleasant Valley Switching Station of Public Service Electric and Gas Company. There is an extra high voltage transmission system agreement between all members of the PJM Pool with respect to the transmission of power from the Keystone Generating Station.

In addition to the jointly-owned nuclear facilities described above, PE has other joint ownership interests. It has a 20.72 percent ownership interest in the Conemaugh Steam Electric Station near Johnstown, Pennsylvania. Eight other power companies (all PJM members) also have ownership interests in this station. PE has a 42.55 percent ownership interest in what is known as the Lower Delaware Valley Transmission and Switching Facilities. Three other companies (including two PJM members) also have ownership interests in these facilities. PE owns a 20.99 percent interest in the Keystone Generating Station in Armstrong and Indiana Counties, Pennsylvania. Six other power companies (including five PJM members) also have ownership interests in this station.

Results of antitrust review. With one exception, our study of this application did not indicate any antitrust problems. The only matter requiring exploration pertained to allegations by the Borough of Lansdale, Pennsylvania, that PE was attempting to force certain rates on it.

Lansdale has, since 1956, been purchasing a portion of its bulk power requirements from PE. In 1971, Lansdale decided to purchase a larger quantity of wholesale power and phase out its own steam generating plant. The Borough sought proposals from nearby investor-owned power companies to supply it with wholesale power for five years. After an evaluation of the proposals, Lansdale elected to enter into a contract with PE. The contract provided for fixed rates together with a facilities agreement providing for new transmission and interconnection facilities. This contract was dated November 12, 1971. On May 1, 1972, PE filed, unilaterally, with the Federal Power Commission (FPC) an application seeking a rate increase and certain other terms which were not in accordance with the November 12 contract. PE did not file the November 12 contract. The FPC at first rejected PE's application but upon a refiling by PE, the FPC denied Lansdale's motion to reject the filing and allowed the new rate increase to go into effect. Subsequently, the FPC rejected attempts by Lansdale to require PE to file the November 12, 1971, contract with the FPC.

In the course of our review of this application, Lansdale suggested to the Department of Justice that PE's refusal to file the contract and its activities in connection therewith may violate the antitrust laws. In the meantime, on March 15, 1974, the United States Court of Appeals for the District of Columbia Circuit directed PE to file the November 12, 1971, contract with the FPC, vacated all previous orders of the FPC, and held that the 1971 contract rates are currently effective.[1] The Court relied primarily on the so-called Sierra/Mobile doctrine relating to fixed-rate contracts. (FPC v. Sierra Pacific Power Company, 350 U.S. 348 (1956) and United Gas Pipe Line Company v. Mobile Gas Service Corporation, 350 U.S. 332 (1956)).

By letter dated September 26, 1973, the Borough indicated to PE that it had an interest in purchasing power from the proposed Fulton Generating Station. The Borough also expressed a desire for a commitment on wheeling from PE and a wheeling rate.

PE did not respond to these requests until late in the antitrust review period. Then both by letter to the Borough and by agreement with the Department as to proposed license conditions, PE indicated its willingness to afford participation in the Fulton Generating Station to the Borough and committed itself to wheel power between Lansdale and other bulk power firms. PE's letter to the Department is attached hereto.

In view of the license conditions which PE is willing to have included in the permit and license for the Fulton Generating Station and in the expectation that the Commission will include such conditions in the license, we conclude that an antitrust hearing will not be necessary with respect to the instant application.

Re Philadelphia Electric Company, Fulton Generating Station Units 1 and 2, AEC Docket Nos. 50-463A and 50-464A, Department of Justice File 60-415-59.

Honorable THOMAS E. KAUPER,
Assistant Attorney General,
Antitrust Division, Department of Justice,
Washington, D.C. 20530

MAY 20, 1974.

DEAR MR. KAUPER: Attached to this letter is a statement of corporate policy of Philadelphia Electric Company. This statement is made with the understanding that the Department of Justice will recommend to the Atomic Energy Commission that no antitrust hearing will be required and, on that basis, Philadelphia Electric Company agrees that the commitments contained in the statement may be included as conditions to the AEC construction permit and operating licenses for the Fulton Generating Station.

The undersigned has been authorized by Philadelphia Electric Company to act on its behalf and to submit this letter and the attached statement.

Yours very truly,

EDWARD G. BAUER, Jr.

STATEMENT OF POLICY

1. Philadelphia Electric Company ("Company") will afford an opportunity to participate in the Fulton Generating Station, Units 1 and 2, for the term of the license, or any extension or renewal thereof, to any other entity engaging in the generating, transmission and/or distribution of electric power in the City of Philadelphia, and in the counties of Bucks, Montgomery, Delaware, Chester and Lancaster in Pennsylvania and in the counties of Cecil and Harford in Maryland which has made a written request for participation in the Fulton Generating Station, Units 1 and 2, by February 28, 1974, through a reasonable ownership interest in such unit(s) or through contractual purchases of unit power subject to reasonable terms and conditions and on a basis that will fully compensate Company for its costs (including a reasonable return on investment). Such opportunity to participate shall include arrangements for reasonable reserve protection and associated transmission service by Company, on a basis that will fully compensate Company for its costs (including a reasonable return on investment). Any such entity must enter into executory agreements to accomplish the foregoing no later than May 31, 1975.

2. Company shall facilitate the transmission of bulk power over its transmission facilities between the Borough of Lansdale and any other bulk power entity, provided that (1) permission to utilize the transmission lines of other electric power systems necessary to the effectuation of the transaction has been obtained, and (2) the arrangements reasonably can be accommodated from a functional and technical standpoint. Such transmission shall be on terms that fully compensate Company for its costs (including a reasonable return on investment), and that

[1] Appeal Nos. 73-1031 and 73-1649.

are approved by the appropriate regulatory agencies. The Borough of Lansdale shall give reasonable advance notice of its schedule and requirements.

[FR Doc.74-12598 Filed 5-31-74;8:45 am]

CIVIL AERONAUTICS BOARD

[Docket No. 25280; Order 74-5-133]

INTERNATIONAL AIR TRANSPORT ASSOCIATION

Order Regarding Cargo Rate and Currency Matters

Issued under delegated authority May 28, 1974.

An agreement has been filed with the Board pursuant to section 412(a) of the Federal Aviation Act of 1958 (the Act) and Part 261 of the Board's Economic Regulations, between various air carriers, foreign air carriers, and other carriers, embodied in the resolutions of the Traffic Conferences of the International Air Transport Association (IATA). The agreement, which has been assigned the above-designated C.A.B. agreement number, was adopted by mail vote.

This agreement would amend Mid-Atlantic Cargo Rates and Resolution 021b to reflect the exchange rate for Venezuelan Bolivar. In support of this agreement, Venezolana Internacional de Aviacion, S.A. (VIASA) stated that inasmuch as the Venezuelan Government does not accept a rate of exchange different from the official VBO 4.30 equals US $1.00, they wish to increase by two percent all cargo rates to/from Venezuela on Mid-Atlantic routes to make basic rates coincide with rates in Venezuela Bolivars approved by the Government, which were calculated on the basis that VBO 4.40 equals US $1.00, and also to reflect in Resolution 021b, a rate of exchange of VBO 4.30 with respect to cargo traffic on Mid Atlantic routes only.

We will approve the agreement to the extent that it affects rates that are combinable with rates to/from United States points and thus has indirect application in air transportation as defined by the Act.

Pursuant to authority duly delegated by the Board in the Board's regulations, 14 CFR 385.14, it is not found that the following resolutions, which are incorporated in Agreement C.A.B. 24382 and which do not directly affect air transportation within the meaning of the Act, are adverse to the public interest or in violation of the Act:

R-1	100 (Mail 953) 021b
	200 (Mail 206) 021b
	300 (Mail 428) 021b
R-2	JT12 (Mail 842) 534b
R-3	JT12 (Mail 842) 554b
R-4	JT12 (Mail 842) 590

Accordingly, it is ordered, That:

Agreement C.A.B. 24382, R-1 through R-4, be and hereby is approved.

Persons entitled to petition the Board for review of this order pursuant to the Board's regulations, 14 CFR 385.50 may file such petitions within ten days after the date of service of this order.

This order shall be effective and become the action of the Civil Aeronautics Board upon expiration of the above period, unless within such period a petition for review thereof is filed or the Board gives notice that it will review this order on its own motion.

This order will be published in the FEDERAL REGISTER.

[SEAL] EDWIN Z. HOLLAND,
Secretary.

[FR Doc.74-12667 Filed 5-31-74;8:45 am]

[Dockets Nos. 26357, 25474; Order 74-5-129]

WESTERN AIR LINES, INC.

Order of Suspension Regarding Hawaii Fares Investigation

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., on the 28th day of May 1974.

By complaint filed January 28, 1974, Alaska Airlines, Inc. (Alaska) requested that the Board institute an investigation of so-called Hawaii Triangle fares published by Western Air Lines, Inc. (Western).[1] Answers were filed by Northwest Airlines, Inc., Western, and the Alaska Transportation Commission and a petition for leave to intervene was filed by the City of Anchorage. By tariff revision filed April 26, 1974, marked to become effective March 29, 1974, Western proposes to extend the availability of its Triangle fares one year beyond their current expiration date of May 31, 1974. By a motion to amend its initial complaint, Alaska requests suspension of the proposed extension of the fares. Western has answered the amendment requesting suspension, and concurrently, by tariff revisions marked to become effective June 15, 1974, proposes to increase the coach fare level by varying amounts averaging 7.5 percent.

In support of its requests for investigation[2] and suspension, Alaska alleges, inter alia, that the fares are unreasonable and anti-competitive, that they do not meet the Board's promotional fare standards set forth in Phase 5 of the Domestic Passenger-Fare Investigation (DPFI); and that they force normal-fare passengers to subsidize Triangle-fare users who receive what amounts to a free trip to Hawaii when flying round trip between Alaska and points in the lower 48 states. Specifically, the complainant alleges that the Triangle fare permits an Anchorage-Los Angeles passenger to fly on Western via Hawaii with stopovers (2,930 extra miles) for $24.36 less than the Anchorage-Los Angeles round-trip fare; that since their inception in October 1969, the fares have been largely responsible for Alaska's declining share of traffic between Anchorage and California and the Southwest; that the annual revenue loss to Alaska attributable to the fares equals $261,000 even if it is assumed that only 10 percent of Triangle-fare passengers were diverted from Alaska; and that Western had scheduled additional capacity between Anchorage and Seattle in order to carry Triangle-fare passengers, thereby further diverting Seattle traffic to itself by creation of a frequency edge.

Alaska further alleges that Western has had to add capacity between Honolulu and Anchorage to carry Triangle-fare users, but that the fares do not meet the fully allocated costs of that transportation as required by the Board's discount-fare policy; that Western has not made a prima facie showing that the fares will have a favorable profit impact; and that the amount of diversion must be significant inasmuch as 45 percent on nonstop Anchorage-Honolulu passengers travel on Triangle fares.

In answer, Western alleges, inter alia, that there is no evidence that the fares are not fully generative; that Alaska's minimal participation in the Anchorage-Los Angeles/southwestern U.S. traffic is due to Western's superior service pattern, inasmuch as Western provides the only round-trip single-plane service to Seattle from Los Angeles and many single-plane and on-line connecting services to other California and Nevada points; that Triangle-fare traffic is insufficient to warrant added capacity between Anchorage and Seattle, since that traffic breaks down to 1,000 passengers a month, or only 16 passengers a day in each direction; that Northwest's added capacity between Anchorage-Seattle is the likely cause of Alaska's decline in traffic share, in that Western's available seats in the market dropped by 2.4 percentage points between August 1969 and August 1973, while Northwest's share has increased by almost 14 percentage points in the same period; and that in any case, the Board made it clear in the Pacific Northwest-Alaska Service Case, (42 C.A.B.-489, 1965) that Alaska was never intended to be a third competitor in the Anchorage-Seattle market.

Western further alleges that the Anchorage-Honolulu route is still in a developmental stage and continues to require its Triangle promotional fares; that continued promotion of the fare is essential if the public benefits of viable daily service are to be realized, inasmuch as approximately 45 percent of the traffic is composed of Triangle-fare users; that contrary to Alaska's allegations, the fares are consistent with the Board's discount-fare policy in that they have enabled Western to fill seats which would otherwise have been flown empty; that the proposed increase will remove the undercutting of Anchorage-Los Angeles coach fares; and that beginning June 15, the fares will be at a level sufficient to cover fully allocated costs. Western alleges that the Los Angeles Triangle fare will yield 4.52 cents per mile, whereas the fully allocated costs per revenue passenger mile for that routing are 4.53

[1] The fares are contained in Airline Tariff Publishers, Inc., Agent, Tariff C.A.B. No. 143. The tariff also includes joint Hawaii Triangle fares with American Airlines, Inc., Delta Air Lines, Inc., National Airlines, Inc., and Wien Air Alaska, Inc.

[2] Northwest answered in support of Alaska's initial request for investigation, and its argument essentially parallels that put forth by Alaska.

cents; and 4.18 cents for the Anchorage-Honolulu nonstop segment alone.

The Alaska Transportation Commission's answer generally supports Western, and further contends that continuance of the fares would be highly beneficial to Alaskans, affording them an opportunity to mix business with pleasure.

Upon consideration of the complaints and answers thereto, the tariff proposals, and all other relevant matters, the Board finds that the proposed extension of the availability of the fares may be unjust, unreasonable, unjustly discriminatory, unduly preferential, unduly prejudicial, or otherwise unlawful, and should be suspended. The fares are already included in the Hawaii Fares Investigation, Docket 25474.[2]

Although Western's primary justification for the fares (development of the Anchorage-Honolulu nonstop route) may retain some of its original validity, it is in our opinion seriously compromised by the low level of the fares and the virtual complete lack of any travel restrictions. Together these factors appear to invite abuse and significant diversion from full-fare services. In the absence of any data from Western to the contrary, other than general allegations, we are unable to conclude that the fares will produce revenues sufficient to cover losses from diversion and the cost of the transportation. After four and one-half years of experience with Triangle fares, Western has yet to provide the Board with any substantiated data which would support their extension for another year,[3] and it can only be concluded that direct route fares between the lower 48 states and Alaska applicable via a significantly circuitous routing do not cover full costs.

Western proposes to continue to offer stopovers at no cost at all points on the routing,[4] there would be no minimum or maximum stay requirement either at stopover points or for the trip as a whole, and no holiday blackouts or day-of-week restrictions would apply. Taken together, we believe that the potential for revenue dilution is significant, particularly to the extent that passengers avail themselves of the numerous opportunities for free stopovers. This opportunity is of particular significance with respect to Triangle fares to/from the Southwest, where business travel to Alaska is rapidly rising with construction of the trans-Alaska pipeline.

The Board does not dispute the contention that Hawaii Triangle fares have been instrumental in the promotion of Western's nonstop Anchorage-Honolulu route. However, when 45 percent of traffic over that segment travels on the fare, it is readily evident that much of the increased weekly capacity can be directly attributed to the fares. In this light, it would appear that either the normal fare in the market is excessive, or that Triangle-fare revenues do not fully cover their share of capacity and traffic costs.[5]

Accordingly, pursuant to the Federal Aviation Act of 1958, and particularly sections 204, 403, 404, and 1002 thereof:

It is ordered, That:

1. Pending a decision by the Board in Docket 25474, the provisions of paragraph 1.(c) on 2nd Revised Page 31 and the fares on 1st Revised Pages 33 and 34 of Airline Tariff Publishers, Inc., Agent, C.A.B. No. 143 are suspended and their use deferred to and including August 26, 1974, unless otherwise ordered by the Board, and that no changes be made therein during the period of suspension except by order or special permission of the Board;

2. The motion of Alaska Airlines, Inc. to amend its complaint in Docket 26357 is hereby granted;

3. The petitions of the Alaska Transportation Commission and the City of Anchorage for leave to intervene in Docket 26357 are hereby dismissed;

4. The otherwise unauthorized document of the Alaska Transportation Commission in Docket 26357 be accepted as a late-filed answer;

5. Except to the extent granted herein, the complaint in Docket 26357 is hereby dismissed; and

6. Copies of this order will be filed in the aforesaid tariff and served upon Alaska Airlies, Inc., American Airlines, Inc., Delta Air Lines, Inc., Northwest Airlines, Inc., National Airlines, Inc., Western Air Lines, Inc., Wien Air Alsaka, Inc., The Alaska Transportation Commission, and the City of Anchorage.

This order will be publish in the FEDERAL REGISTER.

By the Civil Aeronautics Board.

[SEAL] EDWIN Z. HOLLAND,
Secretary.

[FR Doc.74-12544 Filed 5-31-74;8:45 am]

[2] Petitions for leave to intervene were filed by the Alaska Transportation Commission and the City of Anchorage. Since it does not appear that the petitioners desire to intervene in the Hawaii Fares Investigation, their petitions will be dismissed without prejudice. We will, however, accept the brief of the Commission as an answer to Alaska's complaint.

[3] We also note that the Hawaii Triangle tariff contains first-class fares (at an average 27.8 percent above the coach Triangle fares). The Board has in the past suspended first-class promotional fares. (See Order 72-1-46, January 14, 1972.)

[4] As many as seven intermediate points (not including Honolulu and Anchorage) are included in the various routings for interior Mainland-points.

[5] Western alleges that its proposed Los Angeles Triangle-fare yield of 4.52 cents practically covers fully allocated costs per revenue passenger mile of 4.53 cents for a Los Angeles-Hawaii-Alaska-Los Angeles routing, and exceeds the cost of 4.18 cents per revenue passenger mile for its Anchorage-Honolulu nonstop route. However, no substantiation has been submitted.

CONSUMER PRODUCT SAFETY COMMISSION

PEDAL-POWERED VEHICLES

Notice of Meeting

The Consumer Product Safety Commission gives notce that a meetng on pedal-powered vehicles will be held Thursday, June 13, 1974, at 10 a.m. in Room 450, Westwood Towers Building, 5401 Westbard Avenue, Bethesda, Maryland. The purpose of this meeting is to allow representatives of EVI, 6345 Product Drive, Sterling Heights, Michigan 48077, a manufacturer of pedal-powered vehicles, to present data and information to the Commission's operations staff about safety-related design and performance characteristics of vehicles manufactured by that firm.

On November 29, 1973, Consumers Union of the United States, Inc. petitioned the Commission to promulgate a consumer product safety standard under the Consumer Product Safety Act applicable to pedal-powered vehicles. In this petition, Consumers Union enumerated twenty design and performance characteristics of vehicles manufactured by EVI which, in the judgment of Consumers Union, made the vehicle unsuitable for use on public roads and demonstrated the need for a consumer product safety standard applicable to pedal-powered vehicles to improve safety-related performance characteristics of such vehicles.

The Commission scheduled a public hearing on March 21, 1974, to discuss the petition submitted by Consumers Union, but that hearing was canceled by a notice published in the FEDERAL REGISTER on March 13, 1974 (39 FR 9696). In the notice of March 13, 1974, the Commission stated that all interested parties would be given the opportunity to discuss pedal-powered vehicles at a Commission meeting.

The meeting on June 13, 1974, will be attended by members of the Commission staff from the Bureau of Engineering Sciences, Bureau of Compliance, Bureau of Epidemiology, Bureau of Economic Analysis, Office of Standards Coordination, Office of the General Counsel, Office of the Medical Director, Office of Field Coordination, and Division of Product Defect Identification. The presentation of data and information on behalf of EVI will be made by Timothy Battaglia and John Gray, attorneys with the firm of Tingley, Hurd and Emens, and by Richard M. Rutherford, Vice President and General Manager of EVI. James Brodsky, attorney for Consumers Union, will also attend the meeting.

Any other parties who wish to attend this meeting should notify Don Early, Office of Standards Coordination and Appraisal, Consumer Product Safety

Commission, Washington, D.C. 20207; telephone (301) 496–7197.

Dated: May 29, 1974.

SADYE E. DUNN,
Secretary, Consumer Product Safety Commission.

[FR Doc.74–12621 Filed 5–31–74;8:45 am]

ENVIRONMENTAL PROTECTION AGENCY

CIBA-GEIGY CORP.

Establishment of Temporary Tolerances

Ciba-Geigy Corp., P.O. Box 11422, Greensboro, NC 27409, submitted a petition (PP 4G1456) requesting establishment of temporary tolerances for combined residues of the insecticide chlordimeform (*N'*-(4-chloro-*o*-tolyl) - *N,N*-dimethylformamidine) and its metabolites containing the 4-chloro-*o*-toluidine moiety (calculated as chlordimeform) in or on the raw agricultural commodities citrus fruits and hybrids of these at 3 parts per million.

Subsequently, the petitioner amended the petition by proposing establishment of temporary tolerances for combined residues of the insecticide and its metabolites containing the 4-chloro-*o*-toluidine moiety (calculated as chlordimeform) in or on citrus fruits and hybrids of these at 5 parts per million.

It has been determined that temporary tolerances for residues of the insecticide and its metabolites containing the 4-chloro-*o*-toluidine moiety (calculated as chlordimeform) in or on citrus fruits and their hybrids at 5 parts per million will protect the public health. They are therefore established on the condition that the insecticide be used in accordance with the temporary permits being issued concurrently and which provide for distribution under the Ciba-Geigy Corp. name.

These temporary tolerances expire May 28, 1975.

This action is taken pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (sec. 408(j), 68 Stat. 516; (21 U.S.C. 346a(j))), the authority transferred to the Administrator of the Environmental Protection Agency (35 FR 15623), and the authority delegated by the Administrator to the Deputy Assistant Administrator for Pesticide Programs (36 FR 9038).

Dated: May 28, 1974.

HENRY J. KORP,
Deputy Assistant Administrator for Pesticide Programs.

[FR Doc.74–12556 Filed 5–31–74;8:45 am]

UPJOHN CO.

Withdrawal of Petition Regarding Pesticide Chemical

Pursuant to provisions of the Federal Food, Drug and Cosmetic Act (sec. 408(d)(1), 68 Stat. 512 (21 U.S.C. 346a(d)(1)), the following notice is issued:

In accordance with § 180.8 *Withdrawal of petitions without prejudice* of the pesticide procedural regulations (40 CFR 180.8), The Upjohn Co., Kalamazoo, MI 49001, has withdrawn its petition (PP 3F1322), notice of which was published in the FEDERAL REGISTER of November 15, 1972 (37 FR 24213), proposing establishment of tolerances for combined residues of the insecticide benzoyl chloride (2,4,6-trichlorophenyl) hydrazone and its metabolite benzoic acid (2,4,6-trichlorophenyl) hydrazide in or on the raw agricultural commodities citrus fruits at 1 part per million and liver of cattle, goats, and sheep at 0.05 part per million.

Dated: May 22, 1974.

JOHN B. RITCH, Jr.,
Director, Registration Division.

[FR Doc.74–12555 Filed 5–31–74;8:45 am]

FEDERAL ENERGY OFFICE

RETAIL DEALERS GROUP

Notice of Meeting

Pursuant to the provisions of the Federal Advisory Committee Act (Pub. L. 92–463, 86 Stat. 770) notice is hereby given that the Retail Dealers Group will meet on Friday, June 7, 1974, at 9 a.m., in the Century Room, The La Salle Hotel, 10 N. La Salle Street, Chicago, Illinois.

The Group was established to advise the Administrator, FEO, with direct and timely access to the technical knowledge possessed by a wide range of highly qualified independent businessmen engaged in the retail sale of gasoline and diesel fuel. The agenda for the meeting is as follows:

I. OLD BUSINESS

A. Pricing
B. Allocations/Margins
C. Normal Business Practices
   1. Credit Card Programs
   2. Lease Cancellations
D. Charter Reorganization

II. NEW BUSINESS

A. New Mandatory Petroleum Allocation Regulations
B. Low Lead Pricing
C. Penetration of Retail Market by Major Companies
D. Car Wash Pricing
E. Remarks from the Floor (10 Minute Rule)

The meeting is open to the public; however, space and facilities are limited.

The Chairman of the Group is empowered to conduct the meeting in a fashion that will, in his judgment, facilitate the orderly conduct of business.

Further information concerning this meeting may be obtained from Dino G. Pappas, Office of Policy, Planning, and Regulation, Federal Energy Office, Washington, D.C. 20561. Area Code (202) 961–8324. Minutes of the meeting will be made available for public inspection at the Federal Energy Office, Washington, D.C.

Issued in Washington, D.C., on May 30, 1974.

WILLIAM N. WALKER,
General Counsel.

[FR Doc.74–12744 Filed 5–31–74;8:45 am]

FEDERAL MARITIME COMMISSION

[Independent Ocean Freight Forwarder License No. 1419–R]

INTERCONTINENTAL FILM-EXPORT SERVICE AND ALVARO E. CASTANEDA

Order of Revocation

By letter dated April 22, 1974, Alvaro E. Castaneda, d/b/a Intercontinental Film-Export Service, 5428 West 104th Street, Los Angeles, California 90009 was advised by the Federal Maritime Commission that Independent Ocean Freight Forwarder License No. 1419–R would be automatically revoked or suspended unless a valid surety bond was filed with the Commission on or before May 17, 1974.

Section 44(c), Shipping Act, 1916, provides that no independent ocean freight forwarder license shall remain in force unless a valid bond is in effect and on file with the Commission. Rule 510.9 of Federal Maritime Commission General Order 4, further provides that a license will be automatically revoked or suspended for failure of a licensee to maintain a valid bond on file.

Alvaro E. Castaneda, d/b/a Intercontinental Film-Export Service has failed to furnish a valid surety bond.

By virtue of authority vested in me by the Federal Maritime Commission as set forth in Manual of Orders, Commission Order No. 1 (revised) section 7.04(g) (dated 9/15/73);

It is ordered, That Independent Ocean Freight Forwarder License No. 1419–R be returned to the Commission for cancellation.

It is further ordered, That Independent Ocean Freight Forwarder License No. 1419–R of Alvaro E. Castaneda, d/b/a Intercontinental Film-Export Service be and is hereby revoked effective May 17, 1974.

It is further ordered, That a copy of this Order be published in the FEDERAL REGISTER and served upon Alvaro E. Castaneda, d/b/a Intercontinental Film-Export Service.

AARON W. REESE,
Managing Director.

[FR Doc.74–12568 Filed 5–31–74;8:45 am]

[Docket No. 72–17, (Sub No. 1); Agreement No. 10,000–1]

NORTH ATLANTIC POOL

Amendment of Order of Investigation

By Order of May 3, 1974, the Federal Maritime Commission instituted an investigation, *inter alia*, (1) to determine whether Agreement No. 10,000–1 should be approved, disapproved, or modified pursuant to section 15 of the Shipping Act, 1916; (2) to include therein an investigation as to whether Agreement No. 10,000, as amended, makes provision for the continuation of the Agreement in the event of withdrawal of one of the signatories during the executory phase of the Agreement or whether such withdrawal

would vitiate the entire agreement; and (3) that, because Agreement No. 10,000–1 is a critical component of Agreement No. 10,000, the presiding Administrative Law Judge expedite this proceeding to the fullest extent possible.

Respondents in this proceeding, signatories to Agreement No. 10,000, as amended by Agreement No. 10,000–1, have now filed a Motion for Clarification of the Commission's Order of Investigation and Hearing. Respondents urged in that petition that the Order be modified so as to clarify the intentions of the Commission. They urge that this clarification could be accomplished by the addition of the following phrase at the end of the third paragraph on page 7 of the Order:

* * * since the Commission will only act upon Agreement No. 10,000, as amended by Agreement No. 10,000–1.

The third paragraph of page 7 of the Commission's Order currently reads:

It is further ordered, That insofar as Docket No. 72–17 is now before the Commission on Replies to Exceptions, and because Agreement No. 10,000–1 is a critical component of Agreement No. 10,000, the presiding Administrative Law Judge expedite this proceeding to the fullest extent possible; * * *

Respondents' Motion elicited Replies from Hearing Counsel for the Commission and from Intervenor Massachusetts Port Authority (Massport). Hearing Counsel join in the motion of Respondents. Massport, on the other hand, opposes Respondents' motion essentially on the ground that "* * * the proposed addition to the Commission's Order implies that Commission disapproval of Agreement No. 10,000–1 necessarily carries with it Commission disapproval of the basic agreement", and that:

If the Commission revises its Order of Investigation as requested, it will thereby be saddling itself with the responsibility for killing the entire Pool Agreement simply because it believes Agreement No. 10,000–1 should be disapproved or modified.

From this objection Massport goes on to remind the Commission that:

The statutory authority given to the Commission in section 15 of the Shipping Act clearly envisions disapproval or modification of portions of agreements even though the remainder of the agreement is approved.

With Massport's position last quoted we are in utter accord, and we are unable to understand why the proposed amendment could in any way conflict with that position. In light of the general agreement as to the Commission's authority regarding disapproval or modification of portions of any agreement, we think that Massport has misread the impact of this modification. We have consistently intended to view this agreement and amendments thereto as a single document. This modification merely allows us to view this agreement as an entirety. However, this in no way implies that disapproval of one portion means disapproval of the whole agreement, necessarily. Amendment of our Order simply makes clear our original intent.

Therefore, it is ordered, That Respondents' Motion for Clarification be granted amending the original Order as requested by Respondents.

By the Commission.

[SEAL] FRANCIS C. HURNEY,
Secretary.

[FR Doc.74–12650 Filed 5–31–74;8:45 am]

PORT OF SEATTLE AND SEA-LAND SERVICE, INC.

Notice of Agreements Filed

Notice is hereby given that the following agreements have been filed with the Commission for approval pursuant to section 15 of the Shipping Act, 1916, as amended (39 Stat. 733, 75 Stat. 763, 46 U.S.C. 814).

Interested parties may inspect and obtain a copy of the agreements at the Washington office of the Federal Maritime Commission, 1100 L Street, NW., Room 10126; or may inspect the agreements at the Field Offices located at New York, N.Y., New Orleans, Louisiana, San Francisco, California, and Old San Juan, Puerto Rico. Comments on such agreements, including requests for hearing, may be submitted to the Secretary, Federal Martime Commission, Washington, D.C. 20573, on or before June 24, 1974. Any person desiring a hearing on the proposed agreements shall provide a clear and concise statement of the matters upon which they desire to adduce evidence. An allegation of discrimination or unfairness shall be accompanied by a statement describing the discrimination or unfairness with particularity. If a violation of the Act or detriment to the commerce of the United States is alleged, the statement shall set forth with particularity the acts and circumstances said to constitute such violation or detriment to commerce.

A copy of any such statement should also be forwarded to the party filing the agreements (as indicated hereinafter) and the statement should indicate that this has been done.

Notice of agreements filed by:

George H. Sutter, Esq.
Acting Director, Department of Real Estate
Port of Seattle
P.O. Box 1209
Seattle, Washington 98111

Agreement No. T–2005–10, between the Port of Seattle (Port) and Sea-Land Service, Inc. (Sea-Land), amends the basic lease between the parties providing for the lease to Sea-Land of certain marine terminal facilities at Seattle, Washington. The purpose of the amendment is to: (1) Increase by the collective amount of $20,231.16, the authorized amount of reimbursable expenditures as provided for in Agreements Nos. T–2005 and T–2451; (2) increase the monthly rental paid to Port by an amount which will amortize the costs of certain improvements, and (3) increase the lease bond by 50% of the amount of said improvements.

Agreement No. T–2451–3, also between the Port and Sea-Land, amends the basic agreement which provides for the lease of container cranes at the facility in Seattle leased by Sea-Land under the terms of Agreement No. T–2005, as amended. The purpose of the amendment is to amend Agreement No. T–2451 in exactly the same manner as the above amendment amends Agreement No. T–2005.

Dated: May 29, 1974.

By order of the Federal Maritime Commission.

FRANCIS C. HURNEY,
Secretary.

[FR Doc.74–12651 Filed 5–31–74;8:45 am]

FEDERAL POWER COMMISSION

[Docket No. G–6083, etc.]

CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY

Order Amending Orders

MAY 23, 1974.

On August 6, 1973, Mesa Petroleum Co. (Petitioner) filed in Docket No. G–6083, et al., a petition to amend the orders of the Commission issuing certificates of public convenience and necessity pursuant to section 7(c) of the Natural Gas Act in said dockets by substituting Petitioner in lieu of Pubco Petroleum Corporation as certificate holder, all as more fully set forth in the petition to amend in this proceeding.

Effective April 30, 1973, as a result of merger of Pubco into Mesa, Pubco transferred to Mesa all of the oil and gas properties of Pubco, including all of the related facilities and gas sales contracts under which sales of natural gas are being made pursuant to permanent certificates heretofore issued to Pubco. Simultaneously Mesa assumed all current liabilities and all contract obligations of Pubco.

Petitioner has submitted for filing notices of succession to the FPC gas rate schedules of Pubco Petroleum Corporation and certificates of adoption of said rate schedules.

After due notice by publication in the FEDERAL REGISTER, no petition to intervene, notice of intervention, or protest to the granting of the petition to amend has been filed.

The Commission finds.

It is necessary and appropriate in carrying out the provisions of the Natural Gas Act and the public convenience and necessity require that the orders issuing certificates of public convenience and necessity to Pubco Petroleum Corporation should be amended by substituting Petitioner as certificate holder, that Petitioner should be substituted in lieu of Pubco Petroleum Corporation as applicant and respondent in pending proceedings, that the notices of succession to and certificates of adoption of the related rate schedules should be accepted for filing, and that said rate schedules should be redesignated accordingly.

The Commission orders.

(A) The orders issuing certificates of public convenience and necessity in the dockets listed in the Appendix hereto are amended by substituting Petitioner in lieu of Pubco Petroleum Corporation as certificate holder, and in all other respects said orders shall remain in full force and effect.

(B) Petitioner is substituted in lieu of Pubco Petroleum Corporation as applicant in the certificate proceedings pending before the Commission listed in said Appendix below and said proceedings are redesignated accordingly.

(C) Petitioner is substituted in lieu of Pubco Petroleum Corporation as respondent in the rate proceedings pending before the Commission listed in said Appendix below and said proceedings are redesignated accordingly.

(D) The notices of succession and certificates of adoption dated July 30, 1973, submitted by Petitioner to the FPC gas rate schedules are Pubco Petroleum Corporation are accepted for filing effective as of April 30, 1973, and said rate schedules and supplements are designated or redesignated as set forth in the Appendix below.

By the Commission.

[SEAL] MARY B. KIDD,
Acting Secretary.

APPENDIX

Certificate Docket No.	Pubco Petroleum Corp. designation rate schedule		Description of Instrument	Date	Mesa Petroleum Co. designation rate schedule	
	No.	Supp.			No.	Supp.
G-6083	1	[1] 1-39			47	1-39
(G-9140 & G-11084.[2])			Notice of succession certificate of adoption.	Undated July 30, 1973.	47	40
G-6083	2	1-9			48	1-9
			Notice of succession certificate of adoption.	Undated July 30, 1973.	48	10
G-6083	3	1-10			49	1-10
			Notice of succession certificate of adoption.	Undated July 30, 1973.	49	11
G-6083	4	1-41			50	1-41
(G-9665, G-11084,) (G-14220 & G-20138.[2])			Notice of succession certificate of adoption.	Undated July 30, 1973.	50	42
G-6083	5	1-			51	1-6
			Notice of succession certificate of adoption.	Undated July 30, 1973	51	7
G-10280	6	1-9			52	1-9
			Notice of succession certificate of adoption.	Undated July 30, 1973	52	10
G-10602	7	1-18			53	1-18
			Notice of succession certificate of adoption.	Undated July 30, 1973	53	19
G-13104 G-20142 [2]	8	1-13			54	1-13
			Notice of succession certificate of adoption.	Undated July 30, 1973	54	14
G-13881 [2]	9	1-7			55	1-7
			Notice of succession certificate of adoption.	Undated July 30, 1973	55	8
CI60-175	13	1-30			56	1-30
			Notice of succession certificate of adoption.	Undated July 30, 1973	56	31
CI61-502	14	1			57	1
			Notice of succession certificate of adoption.	Undated July 30, 1973	57	2
CI64-903	15	1-4			58	1-4
			Notice of succession certificate of adoption.	Undated July 30, 1973	58	5
CI65-1280	16	1-11			59	1-11
			Notice of succession certificate of adoption.	Undated July 30, 1973	59	12
CI67-640	17	1			60	1
			Notice of succession certificate of adoption.	Undated July 30, 1973	60	2
CI68-1098	18	1-6			61	1-6
			Notice of succession certificate of adoption.	Undated July 30, 1973	61	7
CI72-127	20	1-4			62	1-4
			Notice of succession certificate of adoption.	Undated July 30, 1973	62	5

[1] Applicant's predecessor was granted temporary authorization to sell natural gas under Supplement No. 37.
[2] Pertains to supplemental agreement.
[3] Excluding Pubco's FPC Gas Rate Schedule Nos. 10 and 11.

MESA PETROLEUM CO. SUCCESSOR TO PUBCO PETROLEUM CORPORATION

PENDING RATE PROCEEDINGS

RI64-91	RI70-217	RI73-47.
RI64-92	RI70-218	RI73-83.
RI64-145	RI70-244	RI73-216.
RI64-146	RI70-1129	
RI64-537		[4] RI74-115.
RI64-541	RI72-58	[4] RI74-152.
RI64-544	RI72-137	
	RI72-178	
RI65-537	RI73-184	
	RI72-242	
RI66-3	RI72-243	
RI68-336	RI72-252	

[4] Respondent is Mesa Petroleum Co.

[FR Doc.74-12520 Filed 5-31-74;8:45 am]

[Docket No. CP73-294]

IROQUOIS GAS CORP. ET AL.

Application to Amend

MAY 28, 1974.

Take notice that on May 22, 1974, Iroquois Gas Corporation (Iroquois), 10 Lafayette Square, Buffalo, New York 14203, Pennsylvania Gas Company (Penn Gas), 213 Second Avenue, Warren, Pennsylvania 16365, United Natural Gas Company (United), 308 Seneca Street, Oil City, Pennsylvania 16301, and NFG Gas Corporation (National-NY), 10 Lafayette Square, Buffalo, New York 14203, filed in Docket No. CP73-294 an application to amend the Commission's order issued May 10, 1974, in said docket (51 FPC ——), pursuant to Sections 7(b) and 7(c) of the Natural Gas Act, all as more fully set forth in the application to amend which is on file with Commission and open to public inspection.

The order of May 10, 1974, granted Applicants permission and approval to abandon certain facilities and issued a certificate of public convenience and necessity authorizing the acquisition and operation of these same facilities, all to facilitate a major realignment of the National Fuel Gas Company (National-NJ) system. The applicants are to be transformed into two companies, one, United, with the name changed to National Fuel Gas Supply Corporation (NFG), will assume the production, gas purchase, gathering, storage, transmission, and sale for resale functions, and the other, National-NY, will assume the distribution functions. The existing holding company, National-NJ, was to be merged by National-NY. Applicants state that the plan of realignment has been conditional upon receiving a satisfactory tax ruling to be certain that there would be no additional federal tax burden on either investors or customers and that they have been advised that the realignment of the three operating companies can proceed without adverse tax consequences but that elimination of the holding company would be considered in a way that would incur adverse tax consequences.

Applicants state that after consideration they have concluded that the tax consequences require the holding company to be kept in existence. Accordingly, Applicants request modification of the order of May 10, 1974, to recognize that this aspect of the original proposal will not be undertaken and National-NJ will remain in existence with two major subsidiaries, the distribution company and the supply company.

Applicants describe the steps in the amended plan of realignment as follows:

The first step of the amended plan of realignment will be the transfer of the gas distribution property, related intrastate transmission and general plant facilities, and certain other assets of Iroquois, Penn Gas and United to National-NY. In exchange for these assets National-NY will (a) assume certain liabilities related to gas distribution operations, (b) issue common stock to each transferor and (c) assume certain long-term indebtedness of each transferor to National-NJ. The consideration received by the transferors will in each case equal the original cost of its assets transferred to National-NY net of accumulated depreciation. By this step, National-NY will become a gas distribution company, operating under the jurisdiction of the New York, Pennsylvania and Ohio public utility regulatory commissions, and carrying out the distribution and intrastate transmission operations now performed by Iroquois, Penn Gas and United.

The second step will be for Iroquois, Penn Gas and United to transfer all of the shares of National-NY held by them to National-NJ in exchange for certain of their respective shares held by National-NJ. After such exchange of shares, Iroquois, Penn Gas, United and National-NY will all be wholly owned subsidiaries of the holding company, National-NJ.

The final step of the amended realignment will be the creation of an integrated gas supply network by the transfer of the remaining plant and property of Iroquois and Penn Gas to United by means of a merger of these three companies. United, as the owner and operator of this network will be engaged in the production, purchase, storage, interstate transmission and sale for resale of natural gas. It will make no sales to ultimate consumers and over 98 percent of its sales will be to its affiliate, National-NY. The remainder will be sales for resale to non-affiliated distributors currently being made by United and Penn Gas.

Applicants assert that the completed realignment will result in National-NY's the distribution company, and United's, the supply company, providing integrated wholesale and retail gas service to the area now being served by Iroquois, Penn Gas and United and each resulting company will be a wholly-owned subsidiary of National-NJ, with their outstanding longterm indebtedness also held by National-NJ. Applicants further state that the continuation of the holding company will have no effect on the operations of the supply and distribution companies and that all of the operating benefits anticipated in the original proposal will be equally obtainable under the new arrangement.

It appears reasonable and consistent with the public interest in this case to prescribe a period shorter than 15 days for the filing of protests and petitions to intervene. Therefore, any person desiring to be heard or to make any protest with reference to said application to amend should on or before June 12, 1974, file with the Federal Power Commission, Washington, D.C. 20426, a petition to intervene or a protest in accordance with the requirements of the Commission's rules of practice and procedure (18 CFR 1.8 or 1.10). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding. Any person wishing to become a party to a proceeding or to participate as a party in any hearing therein must file a petition to intervene in accordance with the Commission's rules.

KENNETH F. PLUMB,
Secretary.

[FR Doc.74-12600 Filed 5-31-74;8:45 am]

FEDERAL RESERVE SYSTEM

COMMERCE BANCSHARES, INC.

Acquisition of Bank

Commerce Bancshares, Inc., Kansas City, Missouri, has applied for the Board's approval under section 3(a)(3) of the Bank Holding Company Act (12 U.S.C. 1842(a)(3)) to acquire 80 percent or more of the voting shares of Exchange Bank of Kahoka, Kahoka, Missouri. The factors that are considered in acting on the application are set forth in section 3(c) of the Act (12 U.S.C. 1842(c)).

The application may be inspected at the office of the Board of Governors or at the Federal Reserve Bank of Kansas City. Any person wishing to comment on the application should submit views in writing to the Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551 to be received not later than June 20, 1974.

Board of Governors of the Federal Reserve System, May 23, 1974.

[SEAL] THEODORE E. ALLISON,
Assistant Secretary of the Board.

[FR Doc.74-12012 Filed 5-31-74;8:45 am]

HILLSDALE DEVELOPMENT CORP.

Formation of Bank Holding Company

Hillsdale Development Corporation, Hillsdale, Illinois, has applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act (12 U.S.C. 1842(a)(1)) of formation of a bank holding company through acquisition of 92.9 percent of the voting shares of Old Farmers & Merchants State Bank, Hillsdale, Illinois ("Bank").

Notice of receipt of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with section 3(b) of the Act. The time for filing comments and views has expired, and none has been timely received. The Board has considered the application in light of the factors set forth in section 3(c) of the Act (12 U.S.C. 1842(c)).

Bank with deposits of $5.81 million as of June 30, 1973, is the 863rd largest in Illinois and the 21st largest of 23 banks in the Moline-Rock Island SMSA. Applicant was recently organized and has no business activities or present subsidiaries. Consequently, consummation of the proposed transaction will neither eliminate existing or potential competition, increase the concentration of banking resources, nor have an undue adverse effect upon any other bank in any relevant area. It is concluded that competitive considerations are consistent with approval.

Bank's financial condition, management and prospects are all considered satisfactory. Management of Applicant is thought to be capable; and its financial condition and prospects, which initially will depend largely upon Bank, appear to be satisfactory. Income to be derived from Bank should be adequate to service the debt incurred by Applicant as an incident to the acquisition. Considerations relating to the banking factors are consistent with approval of the application.

Although consummation of the proposed transaction will not have an immediate effect on area banking services, it will enable more varied financial services to be introduced in the future. Therefore, convenience and needs considerations are consistent with approval of the application. It is the Board's judgment that consummation of the proposal would be in the public interest and that the application should be approved.

On the basis of the record, the application is approved for the reasons summarized above. The transaction shall not be made (a) before the thirtieth calendar day following the effective date of this order or (b) later than three months after the effective date of this order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Chicago pursuant to delegated authority.

By order of the Board of Governors,[1] effective May 23, 1974.

[SEAL] CHESTER B. FELDBERG,
Secretary of the Board.

[FR Doc.74-12614 Filed 5-31-74;8:45 am]

McNEE, INC.

Formation of Bank Holding Company and Engaging in Insurance Agency Activities

McNee, Inc., Grainfield, Kansas, has applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act (12 U.S.C. 1842(a)(1)) to become a bank holding company through acquisition of 81 percent or more of the voting shares of The Citizens State Bank, Grainfield, Kansas, ("Bank"). The factors that are considered in acting on the application are set forth in section 3(c) of the Act (12 U.S.C. 1842(c)). Applicant has also applied, pursuant to section 4(c)(8) of the Bank Holding Company Act (12 U.S.C. 1843(c)(8)) and § 225.4(b)(2) of the Board's Regulation Y, for permission to acquire McNee Insurance Agency, Grainfield, Kansas, an existing insurance agency. Applicant would engage in the insurance agency business in a community of less than 5,000 people. Such activities have been determined by the Board in § 225.4(a)(9)(iii) of Regulation Y as permissible for bank holding companies, subject to Board approval of individual proposals in accordance with the procedures of § 225.4(b).

Notice of the applications, affording opportunity for interested persons to submit comments and views, has been given in accordance with sections 3 and 4 of the Act (39 FR 11348) and the time for filing comments and views has expired. The Board has considered the applications and all comments received in light of the factors set forth in section 3(c) of the Act (12 U.S.C. 1842(c)) and considerations specified in section 4(c)(8) of the Act (12 U.S.C. 1843(c)(8)).

Applicant is a nonoperating corporation organized for the purposes of becoming a bank holding company through acquisition of Bank and operating an insurance agency business. Bank, with deposits of $2 million, representing .04 of one percent of the total commercial bank deposits in the State, is the only bank located in the town of Grainfield (population of 394).[1] Bank holds 18.4 percent of total deposits in the Grainfield market, which is approximated by portions of Gove and Logan Counties, and is the second largest of three banks in that market. Inasmuch as Applicant has no existing banking subsidiaries and the proposal represents merely a restructuring of Bank's ownership, the acquisition

[1] Voting for this action: Vice Chairman Mitchell and Governors Brimmer, Bucher, Holland and Wallich. Absent and not voting: Chairman Burns and Governor Sheehan.

of Bank by Applicant would have no adverse effects on competition within the banking market. Accordingly, the Board concludes that competitive considerations are consistent with approval of the application to acquire Bank.

The financial and managerial resources and prospects of Applicant and Bank are generally satisfactory, and banking factors are consistent with approval of the application. There is no evidence that the convenience and needs of the community are not being served satisfactorily by the existing institutions. However, the proposed reorganization may improve Bank's ability to introduce new banking services for its customers. These considerations are consistent with approval of the application. It is the Board's judgment that consummation of the transaction would be in the public interest and that the application to acquire Bank should be approved.

Also incident to the reorganization, Applicant proposes to operate a general insurance agency business, pursuant to § 225.4(a)(9)(iii) of Regulation Y, by acquiring the McNee Insurance Agency from the present shareholders of Bank. The agency would engage in the sale of fire, casualty, crop hail, credit life, credit health and accident and liability insurance. It does not appear that the acquisition of the general insurance agency business would have any significant effect on existing or future competition. On the other hand, approval of the application would assure residents of the area a convenient source of insurance services. There is no evidence in the record indicating that consummation of the proposals would result in any undue concentration of resources, unfair competition, conflicts of interest, unsound banking practices or other adverse effects on the public interest.

Based on the foregoing and other considerations reflected in the record, the Board has determined that the considerations affecting the competitive factors under section 3(c) of the Act and the balance of the public interest factors the Board must consider under section 4(c)(8) both favor approval of Applicant's proposals.

Accordingly, the applications are approved for the reasons summarized above. The acquisition of Bank shall not be made before the thirtieth calendar day following the effective date of this order; and neither the acquisition of Bank nor the acquisition of the McNee Insurance Agency shall be made later than three months after the effective date of this order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Kansas City pursuant to delegated authority. The determination as to Applicant's insurance activities is subject to the conditions set forth in § 225.4(c) of Regulation Y and to the Board's authority to require reports by, and make examinations of, holding companies and their subsidiaries and to require such modification or termination of the activities of a bank holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

By order of the Board of Governors,[2] effective May 23, 1974.

[SEAL] CHESTER B. FELDBERG,
Secretary of the Board.

[FR Doc.74-12615 Filed 5-31-74;8:45 am]

[1] Banking data are as of June 30, 1973.

UNITED FIRST FLORIDA BANKS, INC.

Acquisition of Bank

United First Florida Banks, Inc., Tampa, Florida, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 3(a)(3) of the Act (12 U.S.C. 1842(a)(3)) to acquire 90 percent or more of the voting shares of First National Bank of Merritt Island, Merritt Island, Florida ("Bank").

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with section 3(b) of the Act. The time for filing comments and views has expired, and the application and all comments received have been considered in light of the factors set forth in section 3(c) of the Act (12 U.S.C. 1842(c)).

Applicant, the fourth largest banking organization in Florida, controls 43 banks with aggregate deposits of $1.4 billion, representing 6.7 percent of total deposits in commercial banks in the State.[1] The acquisition of Bank would increase Applicant's share of deposits by less than one-tenth of one percentage point and would not change Applicant's rank among State banking organizations nor significantly increase the concentration of banking resources in the State.

Bank (deposits of $26 million) is the third largest of seven banks in the Central Brevard banking market, which includes Cape Canaveral, Cocoa, Cocoa Beach, and Merritt Island, Florida. Bank controls approximately 16 percent of the total deposits in that market; the two larger banks in the market, which are subsidiaries of bank holding companies, hold 31 percent and 19 percent, respectively, of market deposits. Although the market is marginally attractive for de novo entry, the present proposal would not raise significant barriers to entry by the many other potential entrants into the market. This proposal would represent Applicant's initial entry into the Central Brevard market. Applicant's closest subsidiary banking office to Bank is located 17 miles north, and each of the banks obtains a slight amount of loans and deposits from the other's service area. None of Applicant's other subsidiaries competes with Bank. Accordingly, no meaningful amount of existing competition between Applicant and Bank would be eliminated by the proposed acquisition. Moreover, it does not appear that the proposed acquisition would have any adverse effect on potential competition in view of the distances separating Applicant's subsidiaries and Bank, the presence of banks in the intervening areas, and the restrictions placed on branching by State law.

The financial and managerial resources and prospects of Applicant are regarded as satisfactory in view of Applicant's commitment to increase capital in certain of its subsidiary banks. The financial and managerial resources of Bank are generally satisfactory. Bank has recently experienced slow growth, and it appears that affiliation with Applicant will enhance its prospects by enabling it to compete more effectively with the other banks within the Central Brevard market. Considerations relating to the banking factors are consistent with approval of the application. Applicant proposes to expand and improve Bank's services by offering trust services and assisting Bank with data processing services, investment services, business development, and mortgage lending services. Accordingly, considerations relating to the convenience and needs of the community to be served lend some weight toward approval of the application.

In considering this application, the Board has examined a covenant not to compete contained in an agreement between Applicant and directors of Bank. It appears that the provisions of the covenant are reasonable in duration, scope, and geographic area. Therefore, the Board is of the view that the agreement not to compete by the directors of Bank does not preclude an approval of the application based upon other considerations previously discussed herein. It is the Board's judgment that the proposed acquisition is in the public interest and that the application should be approved.

On the basis of the record,[2] the application is approved for the reasons summarized above. The transaction shall not be made (a) before the thirtieth calendar day following the effective date of this order or (b) later than three months after the effective date of this order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Atlanta pursuant to delegated authority.

[2] Voting for this action: Vice Chairman Mitchell and Governors Brimmer, Bucher, Holland and Wallich. Absent and not voting: Chairman Burns and Governor Sheehan.

[1] All data are as of June 30, 1973, unless otherwise indicated, and include formations and acquisitions approved by the Board through April 15, 1974.

[2] Dissenting Statement of Governors Mitchell and Brimmer filed as part of the original document. Copies available upon request to the Board of Governors of the Federal Reserve System, Washington, D.C. 20551, or to the Federal Reserve Bank of Atlanta.

By order of the Board of Governors,[3] effective May 20, 1974.

[SEAL] CHESTER B. FELDBERG,
Secretary of the Board.

[FR Doc.74-12616 Filed 5-31-74;8:45 am]

UST CORP.

Acquisition of Bank

UST Corp., Boston, Massachusetts, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 3(a)(3) of the Act (12 U.S.C. 1842(a)(3)) to acquire not less than 95 percent of the voting shares of Milton Bank and Trust Company, Milton, Massachusetts ("Bank").

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with Section 3(b) of the Act. The time for filing comments and views has expired, and the Board has considered the application and all comments received in light of the factors set forth in section 3(c) of the Act (12 U.S.C. 1842(c)).

Applicant is the fifteenth largest commercial banking organization in Massachusetts, and controls one banking subsidiary, United States Trust Company ("US Trust"), with deposits of $82.4 million, representing .6 of one percent of total commercial bank deposits in the State.[1] Bank ($10.9 million in deposits) accounts for less than .1 of one percent of total Statewide commercial bank deposits. Consummation of the transaction would not result in a significant increase in the concentration of banking resources in Massachusetts.

Bank ranks 43rd among 62 commercial banking institutions located in the Boston SMSA (the relevant market) [2] and controls .1 of one percent of market deposits. US Trust, Applicant's sole banking subsidiary, which operates six banking offices in the market (all in Suffolk County), controls .9 of one percent of commercial bank deposits in the Boston banking market, and ranks thereby as the eleventh largest commercial banking organization in that market. Included in the 62 commercial banking organizations in the Boston banking market are 78 commercial banks with a total of 489 banking offices. The Boston banking market is characterized by a high level of deposit concentration, as reflected in the fact that the market's five largest commercial banking organizations control 80 percent of market deposits.[3] The present proposal would not appreciably affect the concentration level in view of the small market shares held by Applicant and Bank. Furthermore, a substantial number of independent banks would remain available for acquisition by the State's smaller organizations which are not presently represented in the market.

As noted above, US Trust operates its six offices in Suffolk County. Bank, with offices in Milton, Quincy, and Braintree, operates to the south of the city of Boston in Norfolk County. Under Massachusetts law, neither US Trust nor Bank may branch into the other's home office county. Although there is some overlap between the service areas of the two banks, the dollar volume of deposits represented by such overlap is not significant when compared to the total commercial bank deposits in the market. The present degree of competition between the two institutions is further tempered by the existence of numerous banking alternatives in the market. Furthermore, in view of Bank's small size and its market position, it does not appear that consummation of the proposal would raise significant barriers to entry into the area by other banking organizations. Nor does it appear that Applicant's entry into the area through alternative means would be so clearly preferable from a competitive standpoint as to preclude approval of the present application. On the other hand, Applicant's entry into Norfolk County through the subject acquisition may enhance competition by making Bank a more effective competitor to the other banking organizations in the County, including subsidiaries of four of the six largest banking organizations in the State. Accordingly, on the basis of the record, the Board concludes that competitive considerations relating to the proposal are consistent with approval of the application.

The financial and managerial resources and future prospects of Applicant are satisfactory. The financial condition of Bank is satisfactory. Affiliation with Applicant will result in Applicant providing Bank with needed managerial assistance. Accordingly, Bank's future prospects as a subsidiary of Applicant appear to be favorable, and these considerations provide weight toward approval of the application. There is no evidence in the record to indicate that the banking needs of the area are not currently being met by existing financial institutions. However, Applicant proposes to assist Bank in offering such additional services as trust, computer, accounts receivable, inventory financing, and investment portfolio services. In addition, Bank will be able to improve its existing services in such areas as financial planning, investment management, and commercial financing. Thus, considerations relating to the convenience and needs of the community to be served lend weight toward approval. It is the Board's judgment that summation of the proposed transaction would be in the public interest and that the application should be approved.

In connection with is consideration of the application, the Board has also reviewed, pursuant to section 4(a)(2) of the Act, the "grandfather" privileges of Applicant, a "company covered in 1970" as that term is defined in the Act. Under section 4(a)(2) of the Act, the Board may terminate such "grandfather" privileges if, having due regard to the purposes of the Act, the Board determines that such action is necessary to prevent undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices. Accordingly, the Board has reviewed the activities of Applicant for the purpose of determining whether the combination of banking and nonbanking interests in Applicant's holding company system would be likely to have an adverse effect on the public interest. Notice of the Board's proposed review of the "grandfather" privileges of Applicant and an opportunity for interested persons to submit comments and views or request a hearing was given (39 FR 6153 and 11952). The time for filing comments, views, and requests has expired, and none have been received.

Applicant has five nonbanking subsidiaries, four of which are permissible under various provisions of section 4(c) of the Act and "grandfather" privileges need not be relied on for Applicant's authority to continue such interests.[4] Applicant's fifth subsidiary, which was acquired in 1967, JSA Financial, is engaged in making commercial loans collateralized by inventory, accounts receivable, and real estate ($5.9 million in net commercial loans as of December 31, 1973). US Trust is also engaged in making such loans ($28.6 million as of March 29, 1974). JSA Financial and US Trust accounted for an insignificant share of the total commercial loan market in the Boston area. Moreover, JSA and US Trust tend to serve commercial concerns of different sizes and types. On the basis of facts before the Board, it appears that the volume, scope, and nature of the activities of Applicant and its subsidiary do not indicate an undue concentration of resources nor is there any evidence before the Board of decreased or unfair competition, conflicts of interest, or unsound banking practices.

There appears to be no reason to require Applicant to terminate its interest in JSA Financial. However, this determi-

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[1] All banking data are as of June 30, 1973, and reflect bank holding company formations and acquisitions approved through April 30, 1974.

[2] The Boston SMSA encompasses all of Suffolk County and portions of Essex, Middlesex, Norfolk, and Plymouth Counties.

[3] Voting for this action: Governors Sheehan, Bucher, Holland, and Wallich. Voting against this action: Vice Chairman Mitchell and Governor Brimmer. Absent and not voting: Chairman Burns.

[3] Excluded from this market share determination are the deposits held by mutual savings banks which approximate $8.5 billion (as of June 30, 1973).

[4] The four subsidiaries are engaged in holding property used as banking premises (permissible under section 4(c)(1)(A)); operating and SBIC (permissible under section 4(c)(5)); leasing personal property and acting as investment or financial adviser (both subsidiaries were approved pursuant to section 4(c)(8) de novo procedures).

nation is not authority to enter into any activity that Applicant was not engaged in on June 30, 1968, and continuously thereafter, or any activity that is not the subject of this determination. It is the Board's judgment that at this time termination of the "grandfather" privileges of Applicant is not necessary in order to prevent an undue concentration of resources, decreased or unfair competition, conflicts of interests or unsound banking practices. A significant alteration in the nature or extent of Applicant's activities, or a change in location thereof (significantly different from any described in this determination), will be cause for reevaluation by the Board of Applicant's activities under the provisions of section 4(a)(2) of the Act. Such an alteration or change may result in a finding that grandfather privileges should be terminated in order to prevent an undue concentration of resources or any of the other evils designated in the Act. No merger, consolidation, acquisition of assets (other than in the ordinary course of business), and no acquisition of any interest in a going concern, to which the Applicant or any nonbank subsidiary thereof is a party, may be consummated without prior approval of the Board. Further, the provision of any credit, property, or service by the Applicant or any subsidiary thereof shall not be subject to any condition which, if imposed by a bank, would constitute an unlawful tie-in arrangement under section 106 of the Bank Holding Company Act Amendments of 1970.

In making its determination herein, the Board finds that combining Bank in the Boston area with Applicant's existing banking and nonbanking subsidiary would not have an adverse effect upon the public interest at this time. However, the determination herein does not preclude a later review by the Board of Applicant's nonbanking activities, and a future determination by the Board in favor of termination of "grandfather" benefits of Applicant. This determination is subject to the Board's authority to require such modification or termination of the activities of Applicant or any of its nonbanking subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the Act and the Board's regulations and orders issued thereunder, or to prevent evasions thereof.

Accordingly, on the basis of the record, the application is approved for the reasons summarized above. The transaction shall not be made (a) before the thirtieth calendar day following the effective date of this order or (b) later than three months after the effective date of this order unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Boston pursuant to delegated authority.

By order of the Board of Governors,[5] May 23, 1974.

[SEAL] CHESTER B. FELDBERG,
Secretary of the Board.

[FR Doc.74-12817 Filed 5-31-74;8:45 am]

NATIONAL ENDOWMENT FOR THE HUMANITIES

ADVISORY COMMITTEE, PUBLIC PROGRAMS PANEL

Notice of Meeting

MAY 31, 1974.

Pursuant to the provisions of the Federal Advisory Committee Act (Pub. L. 92-463) notice is hereby given that a meeting of the Public Programs Panel will meet in Washington, D.C. on June 13 and 14, 1974.

The purpose of the meeting is to review Museums Program applications submitted to the National Endowment for the Humanities for possible grant funding.

Because the proposed meeting will consider financial information and personnel and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy, pursuant to authority granted me by the Chairman's Delegation of Authority to Close Advisory Committee Meetings, dated August 13, 1973, I have determined that the meeting would fall within exemptions (4) and (6) of 5 U.S.C. 552 (b) and that it is essential to close the meeting to protect the free exchange of internal views and to avoid interference with operation of the Committee.

It is suggested that those desiring more specific information contact the Advisory Committee Management Officer, Mr. John W. Jordan, 806 15th Street NW., Washington, D.C. 20506, or call Area Code 202-382-2031.

JOHN W. JORDAN,
Advisory Committee Management Officer.

[FR Doc.74-12629 Filed 5-31-74;8:45 am]

OFFICE OF PLANNING & ANALYSIS-YOUTHGRANTS PANEL

Notice of Meeting

MAY 22, 1974.

Pursuant to the provisions of the Federal Advisory Committee Act (Pub. L. 92-463) notice is hereby given that a meeting of the Youthgrants Panel will be held at Washintgon, D.C., on July 5 and 6, 1974.

The purpose of the meeting is to review Youthgrants in the Humanities applications submitted to the National Endowment for the Humanities for project grant awards.

Because the proposed meeting will consider financial information and personnel and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy, pursuant to authority granted me by the Chairman's Delegation of Authority to Close Advisory Committee Meetings, dated August 13, 1973, I have determined that the meeting would fall within exemptions (4) and (6) of 5 U.S.C. 552 (b) and that it is essential to close the meeting to protect the free exchange of internal views and to avoid interference with operation of the Panel.

It is suggested that those desiring more specific information contact the Advisory Committee Management Officer, Mr. John W. Jordan, 806 15th Street, NW., Washington, D.C. 20506, or call area code 202-382-2031.

JOHN W. JORDAN,
Advisory Committee Management Officer.

[FR Doc.74-12630 Filed 5-31-74;8:45 am]

[5] Voting for this action: Vice Chairman Mitchell and Governors Brimmer, Bucher, Holland and Wallich. Absent and not voting: Chairman Burns and Governor Sheehan.

POSTAL RATE COMMISSION

POSTAL FACILITIES

Notice of Visit

MAY 29, 1974.

Notice is hereby given that employees of the Postal Rate Commission will be visiting Postal Service facilities on the date indicated for the purpose of acquiring general background knowledge of postal operations.

No particular matter at issue in contested proceedings before the Commission nor the substantive merits of a matter that is likely to become a particular matter at issue in contested proceedings before the Commission will be discussed.

A report of the visit will be on file in the Commission's docket room.

Place of visit:	*Date of visit*
Cincinnati, Ohio	June 7, 1974

By direction of the Commission.

JOSEPH A. FISHER,
Secretary.

[FR Doc.74-12675 Filed 5-31-74;8:45 am]

DEPARTMENT OF LABOR

Occupational Safety and Health Administration

[V-74-30]

CALDWELL TANKS, INC., ET AL.

Notice of Applications for Variance and Grant of Interim Orders

I. *Notice of applications.* Notice is hereby given that Caldwell Tanks, Inc., P.O. Box 19108, 4000 Tower Road, Louisville, Kentucky 40219, Western Petro-

Chem Services, Inc., 1947 East 22nd Street, Carson, California 90810 and Bishopric, 4413 Kings Run Drive, Cincinnati, Ohio 45232 have made application pursuant to section 6(d) of the Williams-Steiger Occupational Safety and Health Act of 1970 (84 Stat. 1596; 29 U.S.C. 655) and 29 CFR 1905.11 for a variance, and interim order pending a decision on the application for a variance, from the standards prescribed in 29 CFR 1926.451(a) (4), (5), and (10) dealing with scaffolding.

The places of employment affected by these applications are the construction sites where the applicants are engaged in construction operations.

The applicants certify that employees who would be affected by the variance have been notified of the application by giving a copy of it to their authorized employee representative, and by posting a copy at all places where notices to employees are normally posted. Employees have also been informed of their right to petition the Assistant Secretary for a hearing.

Regarding the merits of the application, the applicants contend that they are providing employment and places of employment as safe as those which would prevail if they complied with 29 CFR 1926.451 (a) (4), (5), and (10). Section 1926.451 (a) (4) and (5) read as follows:

(4) Guardrails and toeboards shall be installed on all open sides and ends of platforms more than 10 feet above the ground or floor, except needle beam scaffolding and floats (see paragraphs (p) and (w) of this section). Scaffolds 4 to 10 feet in height having a minimum horizontal dimension in either direction of less than 45 inches, shall have standard guardrails installed on all open sides and ends of the platform.

(5) Guardrails shall be 2 x 4 inches, or the equivalent, approximately 42 inches high, with a midrail, when required. Supports shall be at intervals not to exceed 8 feet. Toeboards shall be a minimum of 4 inches in height.

The applicants state that their business is of a specialized nature involving steel plate erection by members of the boilermaker's trade.

The applicants contend that the scaffolds they use in building tanks are mobile and are frequently raised, as are the tank sections, in order to position the next set of steel plates. The scaffolds used do not have toeboards because tools are placed in well designed "loose tool" containers provided for that purpose. In addition, the applicants propose to rope off the area directly below and in close proximity to the scaffold and to permit only those employees, and the tools currently being used by them, on the scaffolds. As a further precaution, a taut wire is installed midway between the innermost plank face of the scaffold platform and the tank face. The applicants state that because the scaffolds must be moved frequently, it would be more hazardous to constantly remove and replace toeboards.

The applicants also propose to place guardrail supports at 10'6" intervals in lieu of the 8' requirement of 29 CFR 1926.451(a(5). This would allow consistent bracket spacing since the applicants further desire to use 10'6" spans for their scaffold planking although 29 CFR 1926.451(a) (16) allows a maximum span of 10'. The applicants state that rough full-dimensional 2" x 12" x 12' planks of Douglas Fir or Southern Yellow Pine of Select Structural Grade are used. The Douglas Fir has a fiber stress of 1,900 and a modulus of elasticity of 1,900,000, while the Southern Yellow Pine has a 2,500 fiber stress and a modulus of elasticity of 2,000,000. The applicants contend that the scaffolds they are using are safe, even though the span is one-half foot longer than the maximum length allowed, because of the increased strength of the wood.

A copy of the applications will be made available for inspection and copying upon request at the Office of Compliance Programming, U.S. Department of Labor, 1726 M Street, NW., Room 210, Washington, D.C. 20210, and at the following Regional and Area Offices:

U.S. Department of Labor
Occupational Safety and Health Administration
1375 Peachtree Street, NE.
Suite 587
Atlanta, Georgia 30309

U.S. Department of Labor
Occupational Safety and Health Administration
300 South Wacker Drive
Room 1201
Chicago, Illinois 60606

U.S. Department of Labor
Occupational Safety and Health Administration
9470 Federal Office Building
450 Golden Gate Avenue
PO Box 36017
San Francisco, California 94102

U.S. Department of Labor
Occupational Safety and Health Administration
Suite 554-E—600 Federal Place
Louisville, Kentucky 40202

U.S. Department of Labor
Occupational Safety and Health Administration
Room 5522—Federal Office Bldg.
550 Main Street
Cincinnati, Ohio 45202

U.S. Department of Labor
Occupational Safety and Health Administration
Hartwell Building—Room 401
19 Pine Avenue
Long Beach, California 90802

All interested persons, including employers and employees, who believe they would be affected by the grant or denial of the applications for variance are invited to submit written data, views and arguments relating to the pertinent application no later than July 3, 1974. In addition, employers and employees who believe they would be affected by a grant or denial of the variances may request a hearing on the applications no later than July 3, 1974, in conformity with the requirements of 29 CFR 1905.15. Submission of written comments and requests for a hearing should be in quadruplicate, and must be adressed to the Office of Compliance Programming at the above address.

II. *Interim orders.* It appears from the applications for variances and interim orders filed by the companies named in this notice, that the proposed scaffolding described in their applications provide employment and places of employment as safe as those which would prevail if the applicants were to comply fully with 29 CFR 1926.451(a) (4), (5), and (10). It further appears that interim orders are necessary, pending a decision on the applications, in order to prevent undue hardship to the applicants and their employees. Therefore, it is ordered, pursuant to section 6(d) of the Williams-Steiger Occupational Safety and Health Act of 1970, and 29 CFR 1910.11(c), that the companies be, and they are hereby, authorized to use scaffolds in accordance with the following conditions, in lieu of complying with the toeboard and span requirements in 29 CFR 1926.451(a) (4), (5), and (10):

(a) The applicants' loose tools and equipment shall be kept in tool containers. This does not include fit-up bar, key plates, key channels, or long handled maul which may rest on the scaffold plank from time to time. The loose tool containers shall be secured to prevent their upset or dislodgment from the scaffold area.

(b) Areas beneath employees working on elevated areas shall be roped off and posted with signs stating "Danger Overhead Work."

(c) A taut wire rope shall be installed at the scaffold plank level so that the open space on either side of the taut wire rope shall not exceed 12" between the scaffold plank and the curved plate structure.

(d) Brackets, posts, supports and rails for the outer guardrail and midrail shall be proportionately stronger at 10' 6" intervals in order to provide guardrail strength and stability equal to that which would be obtained by the use of 2 x 4's at 8' intervals in accordance with 29 CFR 1926.451(a) (5). Brackets and supports shall be located at 10' 6" intervals.

(e) Tank scaffold brackets shall be spaced 10 feet 6 inches center to center for this type of tank work.

(f) Scaffold planks of rough full-dimensioned 2" x 12" x 12' Douglas Fir or Southern Yellow Pine of Select Structural Grade shall be used. The Douglas Fir shall have at least a 1,900 fiber stress and 1,900,000 modulus of elasticity, while the Yellow Pine shall have at least a 2,500 fiber stress and 2,000,000 modulus of elasticity.

Each applicant shall give notice of its interim order to all employees affected thereby, by the same means required to be used to inform them of the application for a variance.

Effective date. These interim orders shall be effective as of June 3, 1974, and shall remain in effect until a decision is rendered on the applications for variances.

Signed at Washington, D.C., this 23d day of May 1974.

JOHN STENDER,
Assistant Secretary of Labor.

[FR Doc.74-12648 Filed 5-31-74;8:45 am]

[V-74-38]

INTERLAKE STAMPING CORP.

Notice of Application for Variance; Correction

The notice of application of variance submitted by Interlake Stamping Corporation was published in the FEDERAL REGISTER on May 20, 1974 (39 FR 17806). The date specified for comments should read "July 19, 1974" rather than "June 19, 1974" to allow a 60 day comment period.

Signed at Washington, D.C., this 23d day of May 1974.

JOHN STENDER,
Assistant Secretary of Labor.

[FR Doc.74-12646 Filed 5-31-74;8:45 am]

Office of Federal Contract Compliance

STATE OF ILLINOIS EQUAL EMPLOYMENT OPPORTUNITY REQUIREMENTS FOR FEDERALLY ASSISTED CONSTRUCTION CONTRACTS

Notice of Hearing

On April 11, 1974, in accordance with 41 CFR 60-1.4(b)(2) (39 FR 2365, January 21, 1974), the Director of the Office of Federal Contract Compliance announced his determination in the FEDERAL REGISTER (39 FR 13210) that the Illinois rules and regulations for Public Contracts Prescribed by the Illinois Fair Employment Practices Commission are not inconsistent with Executive Order 11246, as amended, and not incompatible with the implementation of federal hometown and imposed plans in operation in the State of Illinois. The OFCC Director's approval was, however, provisioned and conditioned upon a subsequent determination by the Comptroller General of the United States that the Illinois Fair Employment Practices Commission's rules and regulations are consistent with applicable federal procurement law requirements for federally assisted construction contracts; the Comptroller General has not ruled on this matter as of this date.

Pursuant to 41 CFR 60-1.4(b)(2), on April 29, 1974, the Building Construction Employers' Association of Chicago, Inc., appealed the OFCC Director's determination to the Assistant Secretary of Labor for Employment Standards by requesting a hearing. Accordingly, an administrative law judge has been designated to conduct a hearing commencing on June 12, 1974, at 10:00 a.m., in Conference Room 642, 536 South Clark Street, Chicago, Illinois, to make proposed findings and a recommended decision to the Assistant Secretary of Labor for Employment Standards upon the basis of the record before the administrative law judge. In accordance with 41 CFR 60-1.4(b)(2), evidence may be presented at the hearing relevant to the issue of whether the rules and regulations for Public Contracts Prescribed by the Illinois Fair Employment Practices Commission are inconsistent with Executive Order 11246, as amended, or incompatible with the effective implementation of federal minority hiring and/or training plans (either voluntary or imposed) in operation in the State of Illinois.

We have given the Building Construction Employers' Association of Chicago, Inc., and the Illinois Fair Employment Practices Commission notice of their opportunity to participate in the hearing by registered mail, return receipt requested. All other persons, organizations, and other entities affected by the OFCC Director's determination may attend and participate in the hearing. Each participant shall have the right to counsel and a fair opportunity to present his case, including such cross-examination as the administrative law judge may deem appropriate in the circumstances.

Interested persons, organizations, and other entities affected by the OFCC Director's determination wishing to participate in the hearing should so notify Mr. H. Stephen Gordon, Chief Administrative Law Judge, U.S. Department of Labor, 1111 20th Street, NW., Suite 720, Washington, D.C., 20036, by registered mail, return receipt requested, by the close of business, June 10, 1974. The notice of intention to participate (original and two copies) must state the name and address of the person to appear, and the approximate amount of time required for the presentation. In addition, to the extent practicable, the notice should also include, or be accompanied by, a general statement of the position to be taken with regard to the aforementioned Illinois Rules and Regulations for Public Contracts and of the evidence to be adduced in support of that position. The use of prepared statements by participants, subject to cross-examination, is authorized. All documents intended to be submitted for the record at the hearing should be submitted in duplicate.

Signed at Washington, D.C., this 30th day of May 1974.

H. STEPHEN GORDON,
Chief Administrative Law Judge,
U.S. Department of Labor.

[FR Doc.74-12765 Filed 5-31-74;8:45 am]

INTERSTATE COMMERCE COMMISSION

[Notice 518]

ASSIGNMENT OF HEARINGS

MAY 24, 1974.

Cases assigned for hearing, postponement, cancellation or oral argument appear below and will be published only once. This list contains prospective assignments only and does not include cases previously assigned hearing dates. The hearings will be on the issues as presently reflected in the Official Docket of the Commission. An attempt will be made to publish notices of cancellation of hearings as promptly as possible, but interested parties should take appropriate steps to insure that they are notified of cancellation or postponements of hearings in which they are interested. No amendments will be entertained after the date of this publication.

MC-F-12138, Osborn Transportation, Inc.—Purchase (Portion)—Brown Transport Corp., Inc., now being assigned hearing July 29, 1974, at the Offices of the Interstate Commerce Commission, Washington, D.C.

MC 106497 Sub 96, Parkhill Truck Co., now being assigned hearing June 25, 1974 (3 days), in Room 1052A, Federal Bldg., 600 Federal Plaza, Louisville, Ky.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.74-12423 Filed 5-31-74;8:45 am]

[Notice 520]

ASSIGNMENT OF HEARINGS

MAY 29, 1974.

Cases assigned for hearing, postponement, cancellation or oral argument appear below and will be published only once. This list contains prospective assignments only and does not include cases previously assigned hearing dates. The hearings will be on the issues as presently reflected in the Official Docket of the Commission. An attempt will be made to publish notices of cancellation of hearings as promptly as possible, but interested parties should take appropriate steps to insure that they are notified of cancellation or postponements of hearings in which they are interested. No amendments will be entertained after the date of this publication.

MC 110420 Sub-694, Quality Carriers, Inc., now being assigned July 23, 1974 (2 days), at Chicago, Ill., in a hearing room to be later designated.

MC 134599 Sub-98, Interstate Contract Carrier Corp., now being assigned July 25, 1974 (2 days), at Chicago, Ill., in a hearing room to be later designated.

FF-252 Sub-3, Chi-Can Freight Forwarding, LTD, now being assigned July 29, 1974 (1 week), at Chicago, Ill., in a hearing room to be later designated.

MC-138227, Rodney H. Blackwell, DBA Miss-Lou Truck Line, now assigned July 8, 1974, at Picayune, Miss., is cancelled and the application is dismissed.

MC-110420 Sub 693, Quality Carriers, Inc., and MC-110988 Sub 304, Schneider Tank Lines, Inc., now assigned June 21, 1974, at Chicago, Ill., is cancelled and transferred to Modified procedure.

FD 26115, Boston and Maine Corporation Reorganization, now being assigned prehearing conference July 10, 1974, at the Offices of the Interstate Commerce Commission, Washington, D.C.

MC 217 Sub-16, Point Transfer, Inc.; MC 217 Sub-17, Point Transfer, Inc.; MC 13569 Sub-27, The Lake Shore Motor Freight Co.; MC 13569 Sub-30, The Lake Shore Motor Freight Company; MC 14552 Sub-50, J. V. McNicholas Transfer Company; MC 14552 Sub-53, J. V. McNicholas Transfer Company; and MC 138286 Sub-2, John F. Scott Company, now assigned June 10, 1974, at Pittsburgh, Pa., is postponed to September 9, 1974, in Room 1112, New Federal Building, 1000 Liberty Avenue, Pittsburgh, Pa.

MC-F-12104, Illinois-California Express, Inc. — Purchase (Portion) — Bestway Freight Lines, Inc., now being assigned hearing July 22, 1974 (1 week), at Dallas, Tex., in a hearing room to be later designated.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.74-12660 Filed 5-31-74;8:45 am]

[No. 35986]

ARIZONA INTRASTATE FREIGHT RATES AND CHARGES—1974

Order. At a session of the Interstate Commerce Commission, Division 2, held at its office in Washington, D.C., on the 22d day of May 1974.

It appearing, that, by "Addendum" filed on March 25, 1974, to their petition filed March 12, 1974,[1] the petitioners, namely, The Atchinson, Topeka and Santa Fe Railway Company and Southern Pacific Transportation Company, seek increases in their intrastate rates on cement from Clarkdale to Phoenix and Tempe, Ariz., which correspond to the increases authorized on cement moving in interstate traffic in Ex Parte No. 295, Increased Freight Rates and Charges 1973—Nationwide, 344 I.C.C. 589, and the increases authorized in Ex Parte No. 299, Increases in Freight Rates and Charges to Offset Retirement Tax Increases—1973, which became effective October 1, 1973 and January 1, 1974; and that the said "Addendum" was not verified insofar as it concerned the request to increase rates to the Ex Parte No. 299 level, as required by section 15a(4)(d)(C) of the Interstate Commerce Act, which verification was subsequently filed on May 1, 1974;

It further appearing, that petitioners sought authority from the Arizona Corporation Commission to maintain intrastate freight rates on the same level as interstate rates including the increases authorized in Ex Parte Nos. 295 and 299, and that the Commission granted petitioners' request, except with respect to movements of cement from Clarkdale to Phoenix and Tampe;

It further appearing, that petitioners contend that as a result the said rates for the specified intrastate movements of cement cause undue and unreasonable advantage, preference, and prejudice as between persons or localities engaged in the movement of cement in intrastate commerce, on the one hand, and corresponding shippers in interstate or foreign commerce, on the other hand, and an undue, unreasonable, and unjust discrimination against, and undue burden on, shipments of cement in interstate or foreign commerce, in violation of the provision of section 13(4) of the act;

It further appearing, that the "Addendum" is not supplemental of the prior petition but is a separate petition inasmuch as it is predicated on a different order of the Arizona Corporation Commission, and is based in part on different interstate increases, and that it should be treated as a separate petition at this time;

And it further appearing, that there has been brought in issue matters sufficient to require an investigation into the lawfulness under section 13 of the intrastate rates and charges made or imposed by the State of Arizona on cement from Clarkdale to Phoenix and Tempe to the extent they do not include the said interstate increases in their entirety, including the matter of the partial denial of the Ex Parte No. 299 increases by the Arizona Commission; that after such partial denial by the State authority, this Commission is required, under the provisions of section 15a(4)(d)(C), within 30 days of the filing of a verified petition by such carrier or group of carriers relating to the intrastate rates involved, to act upon such petition by applying the criteria of section 13(4); and that section 13(4) provides for an investigation which includes a full hearing;

Wherefore, and good cause appearing therefor:

It is so ordered, That the petition be, and it is hereby granted, and that an investigation be, and it is hereby, instituted under section 13 of the Interstate Commerce Act to determine whether the said intrastate rates and charges of the petitioners on cement from Clarkdale to Phoenix and Tempe, Ariz., cause or will cause, by reason of their failure to include the full amount of the interstate increase authorized in Ex Parte Nos. 295 and 299 any undue or unreasonable advantage, preference or prejudice as between persons or locations in intrastate commerce, on the one hand, and those in interstate or foreign commerce, on the other, or any unjust discrimination against or undue burden on interstate or foreign commerce; and to determine what rates and charges, if any, or what maximum, or minimum, or maximum and minimum charges shall be prescribed to remove the unlawful advantage, preference, discrimination, or undue burden, if any, that may be found to exist.

It is further ordered, That the petitioners be, and they are hereby, made respondents in this proceeding.

It is further ordered, That all persons who wish actively to participate in this proceeding and to file and receive copies of pleadings shall make known that fact by notifying the Office of Proceedings, Room 5342, Interstate Commerce Commission, in writing on or before June 13, 1974. Although individual participation is not precluded, to conserve time and to avoid unnecessary expense, persons having common interests should endeavor to consolidate their presentations to the greatest extent possible. The Commission desires participation only of those who intend to take an active part in the proceeding.

It is further ordered, That as soon as practicable after the date for indicating a desire to participate in the proceeding has passed, the Commission will serve a list of the names and addresses of all persons upon whom service of all pleadings must be made, and the nature of further proceedings will be designated at that time.

It is further ordered, That a copy of this order be served upon each of the said petitioners; that the State of Arizona be notified of the proceeding by sending copies of this order and of said petition by certified mail to the Governor of Arizona and to the Arizona Corporation Commission, Phoenix, Arizona; and that further notice of this proceeding be given to the public by depositing a copy of this order in the Office of the Secretary of the Commission at Washington, D.C., and by filing a copy with the Director, Office of the Federal Register for publication in the FEDERAL REGISTER.

This is not a major Federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act of 1969.

By the Commission, Division 2.

[SEAL] ROBERT L. OSWALD, *Secretary.*

[FR Doc.74-12658 Filed 5-31-74;8:45 am]

[1] By the petition filed March 12, 1974, petioners sought increases in Arizona intrastate rates generally to the Ex Parte Nos. 299, 301, and 303 levels.

[No. 36009]

FINANCIAL COURIER CORP.

Petition for Relief Certain of the Filing Requirements

MAY 22, 1974.

Notice is hereby given that on May 7, 1974, Financial Courier Corporation filed a petition for relief from certain filing requirements of Section 218(a) of the Interstate Commerce Act. In lieu of filing schedules of its actual rates and charges, petitioner seeks an exemption from such filing.

Petitioner alleges that it is a contract carrier providing courier service for banks and banking institutions and that its operations are virtually identical to the courier carriers who were granted relief from the filing requirements of section 218(a) in "Armoured Carrier Corp. Petition for Relief, section 218(a), 303 I.C.C. 781 (1958) and Relief from Certain Filing Requirements of section 218(a) Petition of Bankers Dispatch Corporation" (not printed), decided March 6, 1972; and that it competes with other couriers which are exempt from such filing requirements.

Any person interested in the matter which is the subject of the petition and who wishes to participate actively in any further proceedings herein shall notify this Commission, by filing with the Office of Proceedings, Room 5342, 12th Street and Constitution Avenue, NW., Washington, D.C. 20423, on or before June 28, 1974, an original and one copy of a statement of his intention to participate. Thereafter, the nature of further proceedings herein, if any, will be designated. The petition and statements of intent to participate, if any, will be available for public inspection at the Offices of the Commission during regular business hours.

A copy of this notice will be served upon the petitioner, and notice of the filing of the petition will be given to the general public by depositing a copy of this notice in the Office of the Secretary of the Commission at Washington, D.C. 20423, and by delivering a copy to the

Director, Office of the Federal Register, for publication in the FEDERAL REGISTER.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.74-12656 Filed 5-31-74;8:45 am]

NOTICE OF FILING OF MOTOR CARRIER INTRASTATE APPLICATIONS

MAY 24, 1974.

The following applications for motor common carrier authority to operate in intrastate commerce seek concurrent motor carrier authorization in interstate or foreign commerce within the limits of the intrastate authority sought, pursuant to section 206(a)(6) of the Interstate Commerce Act, as amended October 15, 1962. These applications are governed by § 1.245 of the Commission's rules of practice, published in the FEDERAL REGISTER, issue of April 11, 1963, page 3533, which provides, among other things, that protests and requests for information concerning the time and place of State Commission hearings or other proceedings, any subsequent changes therein, any other related matters shall be directed to the State Commission with which the application is filed and shall not be addressed to or filed with the Interstate Commerce Commission.

California Docket No. 54872, filed May 13, 1974. Applicant: BALDWIN TRUCKING, INC., 1740 Timothy Drive, San Leandro, Calif. 94577. Applicant's representative: E. H. Griffiths, 1182 Market, Suite 207, San Francisco, Calif. 94102. Certificate of public convenience and necessity sought to operate a freight service as follows: Transportation of *General commodities*, except as hereinafter provided: Between all points and places in the San Francisco Territory, which is described as follows: SAN FRANCISCO TERRITORY includes all the City of San Jose and that area embraced by the following boundary: Beginning at the point the San Francisco-San Mateo County Boundary Line meets the Pacific Ocean; thence easterly along said boundary line to a point 1 mile west of U.S. Highway 101; southerly along an imaginary line 1 mile west of and paralleling U.S. Highway 101 to its intersection with Southern Pacific Company right of way at Arastradero Road; southeasterly along the Southern Pacific Company right of way to Pollard Road, including industries served by the Southern Pacific Company spur line extending approximately 2 miles southwest from Simla to Permanente; easterly along Pollard Road to W. Parr Avenue; easterly along W. Parr Avenue to Capri Drive; southerly along Capri Drive to E. Parr Avenue; easterly along E. Parr Avenue to the Southern Pacific Company right of way; southerly along the Southern Pacific Company right of way to the Campbell-Los Gatos city limits; easterly along said limits and the prolongation thereof to the San Jose-Los Gatos Road; northeasterly along San Jose-Los Gatos Road to Foxworthy Avenue; easterly along Foxworthy Avenue to Almaden Road; southerly along Almaden Road to Hillsdale Avenue; easterly along Hillsdale Avenue to U.S. Highway 101; northwesterly along U.S. Highway 101 to Tully Road; northeasterly along Tully Road to White Road; northwesterly along White Road to McKee Road; southwesterly along McKee Road to Capitol Avenue; northwesterly along Capitol Avenue to State Highway 17 (Oakland Road); northerly along State Highway 17 to Warm Springs; northerly along the unnumbered highway via Mission San Jose and Niles to Hayward; northerly along Foothill Boulevard to Seminary Avenue; easterly along Seminary Avenue to Mountain Boulevard; northerly along Mountain Boulevard and Moraga Avenue to Estates Drive; westerly along Estates Drive, Harbord Drive and Broadway Terrace to College Avenue; northerly along College Avenue to Dwight Way; easterly along Dwight Way to Berkeley-Oakland boundary line; northerly along said boundary line to the campus boundary of the University of California to Euclid Avenue; northerly along Euclid Avenue to Marin Avenue; westerly along Marin Avenue to Arlington Avenue; northerly along Arlington Avenue to U.S. Highway 40 (San Pablo Avenue); northerly along U.S. Highway 40 to and including the City of Richmond; southwesterly along the highway extending from the City of Richmond; southerly along an imaginary line from Point Richmond to the San Francisco Waterfront at the foot of Market Street; westerly along said waterfront and shore line to the Pacific Ocean; southerly along the shore line of the Pacific Ocean to point of beginning.

EXCEPT THAT applicant shall not transport any shipments of: (1) Used household goods and personal effects not packed in accordance with the crated property requirements set forth in paragraph (d) of Item No. 10-C of Minimum Rate Tariff No. 4-A; (2) Automobiles, trucks and buses, viz.: new and used, finished or unfinished passenger automobiles (including jeeps), ambulances, hearses, and taxis; freight automobiles, automobile chassis, trucks, truck chassis, truck trailers, trucks and trailers combined, buses, and bus chassis; (3) Livestock, viz.: bucks, bulls, calves, cattle, cows, dairy cattle, ewes, goats, hogs, horses, kids, lambs, oxen, pigs, sheep, sheep camp outfits, sows, steers, stags, or swine; (4) Liquids, compressed gases, commodities in semiplastic form, and commodities in suspension in liquids in bulk, in tank trucks, tank trailers, tank semi-trailers, or a combination of such highway vehicles; (5) Commodities when transported in bulk in dump trucks or in hopper-type trucks; (6) Commodities when transported in motor vehicles equipped for mechanical mixing in transit; (7) Cement; (8) Logs; (9) Commodities of unusual or extraordinary value; and (10) Fresh Fruits and Vegetables. Intrastate, interstate and foreign commerce authority sought.

HEARING: Date, time and place not shown. Requests for procedural information should be addressed to the California Public Utilities Commission, State Building, Civic Center, 455 Golden Gate Avenue, San Francisco, Calif. 94102, and should not be directed to the Interstate Commerce Commission.

Indiana Docket No. 471-A, 14, filed April 23, 1974. Applicant: CARTER TRUCK LINES, INC., 2462 South West Street, Indianapolis, Ind. 46225. Applicant's representative: Robert W. Loser II, 1009 Chamber of Commerce Bldg., Indianapolis, Ind. 46204. Certificate of public convenience and necessity sought to operate a freight service as follows: Transportation of *Commodities generally:* (1) Serving all points within a 15-mile radius of Greencastle, Indiana (except Brazil, Indiana), as off-route points in connection with presently authorized regular-route operations; (2) (a) Between the intersection of Indiana State Highway 243 and Interstate Highway 70, or Indiana State Highway 43 and Interstate Highway 70, and Indianapolis, Indiana, via Interstate Highway 70, serving no intermediate points, for operating convenience only; (b) Between the intersection of U.S. Highway 40 and Indiana State Highway 240 and Indianapolis, Indiana, serving no intermediate points, for operating convenience only; (c) Between the intersection of U.S. Highway 40 and Indiana State Highway 39 and Indianapolis, Indiana, via Indiana State Highway 39 from the intersection of Indiana State Highway 39 and U.S. Highway 40 to its intersection with Indiana State Highway 39 and Interstate Highway 70, thence via Interstate Highway 70 to Indianapolis, Indiana, serving no intermediate points, for operating convenience only.

NOTE.—Applicant's presently authorized regular-route operations are described in PSCI Certificate No. 471-A, 12 and Certificate of Registration No. MC-85885 (Sub-No. 1). Intrastate, interstate and foreign commerce authority sought.

HEARING: June 28, 1974, at the State Office Building, room 903, Indianapolis, Ind., at 10:00 A.M. EST. Requests for procedural information should be addressed to the Indiana Public Service Commission, 901 State Office Building, Indianapolis, Ind. 46204, and should not be directed to the Interstate Commerce Commission.

Minnesota Docket No. 50, filed April 15, 1974. Applicant: WREN, INC., doing business as LAKEVILLE MOTOR EXPRESS, Lakeville, Minn. 55044. Applicant's representative: Charles E. Nieman, 1110 Northwestern Bank Bldg., Minneapolis, Minn. 55402. Certificate of public convenience and necessity sought to operate a freight service as follows: Transportation of *General Commodities*, over regular routes: Between Minneapolis and St. Paul, Minn., and all points in the Twin Cities Metropolitan Area (except Eden Prairie, Minn.), on the one hand, and, on the other hand, Eden Prairie, Minn., serving all intermediate points, over the following route: From St. Paul and Minneapolis, over city streets (including interstate highways) to junction of such street or interstate highway with Hennepin County Highway 62 to Junction U.S. Highway 212, thence via U.S. Highway 212 to Eden Prairie,

and return over the same route. Intrastate, interstate and foreign commerce authority sought.

HEARING: July 2, 1974, at the Hearing Room of the Minnesota Public Service Commission, fourth Floor, St. Paul, Minn., at 9:30 A.M. Requests for procedural information should be addressed to the Minnesota Public Service Commission, 400 State Office Building, St. Paul, Minn. 55155, and should not be directed to the Interstate Commerce Commission.

By the Commission.

[SEAL] ROBERT L. OSWALD, *Secretary.*

[FR Doc.74-12426 Filed 5-31-74;8:45 am]

[Notice 10]

MOTOR CARRIER ALTERNATE ROUTE DEVIATION NOTICES

MAY 24, 1974.

The following letter-notices of proposals (except as otherwise specifically noted, each applicant states that there will be no significant effect on the quality of the human environment resulting from approval of its application), to operate over deviation routes for operating convenience only have been filed with the Interstate Commerce Commission under the Commission's Revised Deviation Rules-Motor Carriers of Passengers, 1969 (49 CFR 1042.2(c)(9)) and notice thereof to all interested persons is hereby given as provided in such rules (49 CFR 1042.2(c)(9)).

Protests against the use of any proposed deviation route herein described may be filed with the Interstate Commerce Commission in the manner and form provided in such rules (49 CFR 1042.2(c)(9)) at any time, but will not operate to stay commencement of the proposed operations unless filed on or before July 3, 1974.

Successively filed letter-notices of the same carrier under the Commission's Revised Deviation Rules-Motor Carriers of Property, 1969, will be numbered consecutively for convenience in identification and protests, if any, should refer to such letter-notices by number.

MOTOR CARRIERS OF PASSENGERS

No. MC-109780 (Deviation No. 47), CONTINENTAL TRAILWAYS, P.O. Box 730, Wichita, Kans. 67201, filed May 20, 1974. Carrier proposes to operate as a *common carrier,* by motor vehicle, of *passengers and their baggage,* and *express* and *newspapers* in the same vehicle with passengers, over a deviation route as follows: From St. Louis, Mo., over Interstate Highway 55, to Hamel, Ill., and return over the same route, for operating convenience only. The notice indicates that the carrier is presently authorized to transport passengers and the same property, over pertinent service routes as follows: From St. Louis, Mo., over the Lewis and Clark Bridge and U.S. Highway 67 to Alton, Ill., thence over Illinois Highway 140 to Hamel, Ill., and return over the same route.

By the Commission.

[SEAL] ROBERT L. OSWALD, *Secretary.*

[FR Doc.74-12427 Filed 5-31-74;8:45 am]

[Notice 19]

MOTOR CARRIER ALTERNATE ROUTE DEVIATION NOTICES

MAY 24, 1974.

The following letter-notices of proposals (except as otherwise specifically noted, each applicant states that there will be no significant effect on the quality of the human environment resulting from approval of its application), to operate over deviation routes for operating convenience only have been filed with the Interstate Commerce Commission under the Commission's Revised Deviation Rules—Motor Carriers of Property, 1969 (49 CFR 1042.4(c)(11)) and notice thereof to all interested persons is hereby given as provided in such rules (49 CFR 1042.4(c)(11)).

Protests against the use of any proposed deviation route herein described may be filed with the Interstate Commerce Commission in the manner and form provided in such rules (49 CFR 1042.4(c)(12) at any time, but will not operate to stay commencement of the proposed operations unless filed on or before July 3, 1974.

Successively filed letter-notices of the same carrier under the Commission's Revised Deviation Rules—Motor Carriers of Property, 1969, will be numbered consecutively for convenience in identification and protests, if any, should refer to such letter-notices by number.

MOTOR CARRIERS OF PROPERTY

No. MC-78786 (Deviation No. 8), PACIFIC MOTOR TRUCKING COMPANY, 9 Main Street, San Francisco, Calif. 94105, filed May 15, 1974. Carrier's representative: John MacDonald Smith, same address. Carrier proposes to operate as a *common carrier,* by motor vehicle, of *general commodities,* with certain exceptions, over a deviation route as follows: From Gila Bend, Ariz., over Arizona Highway 84 (Interstate Highway 8) to Casa Grande, Ariz., and return over the same route, for operating convenience only. The notice indicates that the carrier is presently authorized to transport the same commodities, over pertinent service routes as follows: From Gila Bend, Ariz., over U.S. Highway 80, to Mesa, Ariz., thence over Arizona Highway 87 to junction Arizona Highway 187, thence over Arizona Highway 187 to Casa Grande, Ariz., and return over the same route. Service to and from all intermediate points between Phoenix, Ariz., and Chandler, Ariz., on U.S. Highway 80 and Arizona Highway 87 including Chandler, Ariz., is limited to service which is auxiliary to, or supplemental of, rail service of the Southern Pacific Company.

No. MC-112713 (Deviation No. 26), YELLOW FREIGHT SYSTEM, INC., P.O. Box 7270, 10990 Roe Ave., Shawnee Mission, Kans. 66207, filed May 15, 1974. Carrier's representative: R. E. DeLand, same address. Carrier proposes to operate as a *common carrier,* by motor vehicle, of *general commodities,* with certain exceptions, over a deviation route as follows: From Chicago, Ill., over Interstate Highway 57 to junction Interstate Highway 55, thence over Interstate Highway 55 to Memphis, Tenn., and return over the same route, for operating convenience only. The notice indicates that the carrier is presently authorized to transport the same commodities, over a pertinent service route as follows: From Chicago, Ill., over U.S. Highway 41 to Evansville, Ind., thence over U.S. Highway 460 to Crossville, Ill., thence over Illinois Highway 1 to junction Illinois Highway 213, thence over Illinois Highway 213 to the Illinois-Kentucky state line, thence over Kentucky Highway 56 to junction U.S. Highway 41, thence over U.S. Highway 41 to Hopkinsville, Ky., thence over Alternate U.S. Highway 41 to Nashville, Tenn., thence to Tennessee Highway 100 to junction Tennessee Highway 20, thence over Tennessee Highway 20 to junction U.S. Highway 70, thence over U.S. Highway 70 to Memphis, Tenn., and return over the same route.

By the Commission.

[SEAL] ROBERT L. OSWALD, *Secretary.*

[FR Doc.74-12428 Filed 5-31-74;8:45 am]

[Notice 92]

MOTOR CARRIER BOARD TRANSFER PROCEEDINGS

Synopses of orders entered by the Motor Carrier Board of the Commission pursuant to sections 212(b), 206(a), 211, 312(b), and 410(g) of the Interstate Commerce Act, and rules and regulations prescribed thereunder (49 CFR Part 1132), appear below:

Each application (except as otherwise specifically noted) filed after March 27, 1972, contains a statement by applicants that there will be no significant effect on the quality of the human environment resulting from approval of the application. As provided in the Commission's special rules of practice any interested person may file a petition seeking reconsideration of the following numbered proceedings on or before June 19, 1974. Pursuant to section 17(8) of the Interstate Commerce Act, the filing of such a petition will postpone the effective date of the order in that proceeding pending its disposition. The matters relied upon by petitioners must be specified in their petitions with particularity.

No. MC-FC-75020. By order of May 16, 1974, the Motor Carrier Board approved the transfer to Western Truck Lines, a corporation, Los Angeles, Calif., of a portion of Certificate of Registration No.

MC-98967 (Sub-No. 2), issued April 20, 1964, to Rogers Motor Express, a corporation, Modesto, Calif., evidencing a right to engage in transportation in interstate commerce as described in Certificate of Public Convenience and Necessity granted January 15, 1974, in Decision No. 82346 by the Public Utilities Commission of the State of California. John Paul Fischer, 140 Montgomery St., San Francisco, Calif. 94104, attorney for applicants.

No. MC-FC-75103. By order entered May 17, 1974, the Motor Carrier Board approved the transfer to Hummingbird Motor Lines, Inc., Cullman, Ala., of the operating rights set forth in Certificate No. MC-133743, issued February 24, 1970, to J. J. Guthrie, doing business as Guthrie Trucking Company, Cullman, Ala., authorizing the transportation of dry fertilizer, from points in Cullman County, Ala., to points in Georgia and Tennessee, restricted against the transportation of dry fertilizer, in bulk, in tnk or hopper-type vehicles, to Kingsport, Elizabethton, Johnson City, Morristown, Greeneville, Newport, Knoxville, and Oak Ridge, Tenn.; and from points in Hamilton County, Tenn., to points in Alabama and Georgia. William Addams, Suite 212, 5299 Roswell Road NE., Atlanta, GA 30342, attorney for applicants.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.74-12424 Filed 5-31-74;8:45 am]

[No. AB-82 (Sub-No. 1)]

MARIANNA AND BLOUNTSTOWN RAILROAD

Abandonment of Lines

Upon consideration of the record in the above-entitled proceedings, and of a staff-prepared environmental threshold assessment survey which is available for public inspection upon request; and

It appearing, that no environmental impact statement need be issued in these proceedings, because these proceedings do not represent a major Federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act of 1969 (42 U.S.C. 4321, et seq.); and good cause appearing therefor:

It is ordered, That applicant be, and it is hereby, directed to publish the appended notice in newspapers of general circulation in Jackson and Calhoun Counties, Fla., within 15 days of the date of service of this order, and certify to the Commission that this has been accomplished.

And it is further ordered, That notice of this order shall be given to the general public by depositing a copy thereof in the Office of the Secretary of the Commission at Washington, D.C., and by forwarding a copy to the Director, Office of the Federal Register, for publication in the FEDERAL REGISTER.

Dated at Washington, D.C., this 20th day of May 1974.

By the Commission, Commissioner Tuggle.

[SEAL] ROBERT L. OSWALD,
Secretary.

[No. AB-82]

MARIANNA AND BLOUNTSTOWN RAILROAD ABANDONMENT BETWEEN MARIANNA AND BLOUNTSTOWN, IN JACKSON AND CALHOUN COUNTIES, FLORIDA

[No. AB-82 (Sub-No. 1)]

MARIANNA AND BLOUNTSTOWN RAILROAD ABANDONMENT AT MARIANNA, IN JACKSON COUNTY, FLORIDA

The Interstate Commerce Commission hereby gives notice that by order dated May 20, 1974, it has been determined that the proposed abandonment of the entire line of the Marianna and Blountstown Railroad, between Marianna and Blountstown, Fla., a total distance of approximately 29 miles, if approved by the Commission, does not constitute a major Federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act of 1969 (NEPA), 42 U.S.C. 4321, et seq., and that preparation of a detailed environmental impact statement will not be required under section 4332(2)(c) of the NEPA.

It was concluded, among other things, that the environmental impacts are not considered significant because there have been no operations over the line since December 1972, and the highway system and nearby operational rail lines are adequate to handle prior or potential traffic. In addition, the severely deteriorated condition of the line makes it doubtful that a responsive and viable service will be available to local shippers and the line is not considered an important element in local planning efforts. Abandonment of the line will also facilitate the construction of the Interstate Highway 10 crossing over the rail right-of-way.

This determination was based upon the staff preparation and consideration of an environmental threshold assessment survey, which is available for public inspection upon request to the Interstate Commerce Commission, Office of Proceedings, Washington, D.C. 20423; telephone 202—343-6989.

Interested parties may comment on this matter by the submission of representations to the Interstate Commerce Commission, Washington, D.C. 20423, on or before June 18, 1974.

[FR Doc.74-12422 Filed 5-31-74;8:45 am]

[Notice 94]

MOTOR CARRIER BOARD TRANSFER PROCEEDINGS

Synopses of orders entered by the Motor Carrier Board of the Commission pursuant to sections 212(b), 206(a), 211, 312(b), and 410(g) of the Interstate Commerce Act, and rules and regulations prescribed thereunder (49 CFR Part 1132), appear below:

Each application (except as otherwise specifically noted) filed after March 27, 1972, contains a statement by applicants that there will be no significant effect on the quality of the human environment resulting from approval of the application. As provided in the Commission's Special Rules of Practice any interested person may file a petition seeking reconsideration of the following numbered proceedings on or before June 24, 1974. Pursuant to section 17(8) of the Interstate Commerce Act, the filing of such a petition will postpone the effective date of the order in that proceeding pending its disposition. The matters relied upon by petitioners must be specified in their petitions with particularity.

No. MC-FC-74720. By supplemental order of May 15, 1974, the Motor Carrier Board approved the transfer to Herzog Trucking Company, Inc., Honesdale, Pa., of the operating rights in Certificate No. MC-97009 Sub 22 issued January 21, 1974, to Vincent J. Herzog, Honesdale, Pa., authorizing the transportation of general commodities and specified commodities from, to, and between points within 25 miles of Scranton, Pa., and points in New York and New Jersey within 25 miles of Port Jervis, N.Y.; Port Jervis and New York, N.Y.; Newton, N.J.; Dingmans Ferry, Dunmore, East Stroudsburg, Matamoras, Olyphant, and Scranton, Pa., among others. Mr. George A. Olsen, registered practitioner, 69 Tonnele Avenue, Jersey City, N.J. 07306.

No. MC-FC-75085. By order of May 23, 1974, the Motor Carrier Board approved the transfer to Woodrow James, Fred Bond, and Jerry Oxmer, a partnership, doing business as FJO Transportation, Newark, N.J., of the operating rights in Permits Nos. MC-124504 (Sub-No. 3) and MC-124504 (Sub-No. 4) issued October 15, 1963, and August 23, 1967, respectively, to Edward Johnson, Brooklyn, N.Y., authorizing the transportation of waste and scrap metal and metal articles, from Stamford, Conn., and Bedford Hills, N.Y., to Florence, Jersey City, Phillipsburg, and Plainfield, N.J., and from Stamford, Conn., to points in Bergen, Passaic, Hudson, Essex, Middlesex, Somerset, Morris, and Union Counties, N.J., restricted to a transportation service to be performed under contract for Schiavone-Bonomo Corporation, of Jersey City, N.J. Edward F. Bowes, 744 Broad Street, Newark, N.J. 07102, attorney for applicants.

No. MC-FC-75155. By order entered May 23, 1974, the Motor Carrier Board approved the transfer to R. Lavoie Trucking Inc., St. Bernard De Lacolle, Province of Quebec, Canada, of the operating rights set forth in Certificates Nos. MC-127870 and MC-127870 (Sub-No. 1), issued June 19, 1967, and June 8, 1972, respectively, to Roger Lavoie, Coaticook, Province of Quebec, Canada, authorizing the transportation of rough lumber, between ports of entry on the United States-Canada Boundary line at or near Champlain Ogdensburg, N.Y., and Norton Mills, Derby Line, and Richford, Vt., on the one hand, and, on the

other, points in Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, and Pennsylvania; dressed lumber, from ports of entry on the United States-Canada Boundary line located at or near Champlain and Ogdensburg, N.Y., and Norton Mills, Derby Line, and Richford, Vt., to points in Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, Maryland, New York, New Jersey, and Pennsylvania. David M. Marshall, 135 State Street, Suite 200, Springfield, Mass. 01103, attorney for applicants.

[SEAL] ROBERT L. OSWALD, *Secretary.*

[FR Doc.74-12659 Filed 5-31-74;8:45 am]

[Notice 76]

MOTOR CARRIER TEMPORARY AUTHORITY APPLICATIONS

MAY 28, 1974.

The following are notices of filing of application, except as otherwise specifically noted, each applicant states that there will be no significant effect on the quality of the human environment resulting from approval of its application, for temporary authority under section 210a(a) of the Interstate Commerce Act provided for under the new rules of Ex Parte No. MC-67 (49 CFR Part 1131), published in the FEDERAL REGISTER, issue of April 27, 1965, effective July 1, 1965. These rules provide that protests to the granting of an application must be filed with the field official named in the FEDERAL REGISTER publication, within 15 calendar days after the date of notice of the filing of the application is published in the FEDERAL REGISTER. One copy of such protests must be served on the applicant, or its authorized representative, if any, and the protests must certify that such service has been made. The protests must be specific as to the service which such protestant can and will offer, and must consist of a signed original and six (6) copies.

A copy of the application is on file, and can be examined at the Office of the Secretary, Interstate Commerce Commission, Washington, D.C., and also in field office to which protests are to be transmitted.

MOTOR CARRIERS OF PROPERTY

No. MC 19945 (Sub-No. 44 TA), filed May 14, 1974. Applicant: BEHNKEN TRUCK SERVICE, INC., Illinois Route #13, New Athens, Ill. 62264. Applicant's representative: Ernest A. Brooks II, 1301 Ambassador Building, St. Louis, Mo. 63101. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Ammonium nitrate*, from the plant site and storage facilities of Hawkeye Chemical Company at Clinton, Iowa, to mine sites of Peabody Coal Company located in Knox, Vermillion, Sullivan, Warrick, and Green Counties, Ind., for 180 days. SUPPORTING SHIPPER: Roy J. Ferro, Traffic Manager, Peabody Coal Company, 310 Mansion House Center, St. Louis, Mo. 63102. SEND PROTESTS TO: Harold C. Jolliff, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Leland Office Building, Room 414, 527 East Capitol Avenue, Springfield, Ill. 62701.

No. MC 35807 (Sub-No. 46 TA), filed May 8, 1974. Applicant: WELLS FARGO ARMORED SERVICE CORPORATION, 210 Baker Street, P.O. Box 4313, Atlanta, Ga. 30302. Applicant's representative: Melvin E. Bailet (same address as applicant). Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Coin, currency, negotiable and non-negotiable securities, bonds, and other valuables*, between Huntington, W. Va., on the one hand, and, points in Boyd County, Ky., on the other, for 180 days. SUPPORTING SHIPPER: Kentucky Farmers Bank, P.O. Box 545, Catlettsburg, Ky. 41129. SEND PROTESTS TO: William L. Scroggs, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 1252 West Peachtree Street NW., Room 309, Atlanta, Ga. 30309.

No. MC 41404 (Sub-No. 112 TA), filed May 15, 1974. Applicant: ARGO-COLLIER TRUCK LINES CORPORATION, P.O. Box 440, Fulton Highway, Martin, Tenn. 38237. Applicant's representative: Mark L. Horne (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Materials, supplies, equipment, and ingredients* used in the manufacturing, packaging, and distribution of frozen foods (except in bulk), between the plant and warehouse facilities of the Quaker Oats Company in or near Jackson, Tenn., on the one hand, and, on the other, points in Alabama, Georgia, Illinois, Indiana, Kentucky, Louisiana, Michigan, Mississippi, Missouri, Ohio, Tennessee, and Wisconsin, restricted to traffic originating at or destined to the plant and warehouse facilities of the Quaker Oats Company in or near Jackson, Tenn., for 180 days. SUPPORTING SHIPPER: The Quaker Oats Company, Merchandise Mart Plaza, Chicago, Ill. 60654. SEND PROTESTS TO: District Supervisor Floyd A. Johnson, Bureau of Operations, Interstate Commerce Commission, 435 Federal Office Building, 167 North Main Street, Memphis, Tenn. 38103.

No. MC 52460 (Sub-No. 145 TA), filed May 15, 1974. Applicant: ELLEX TRANSPORTATION, INC., 1420 West 35th Street, P.O. Box 9515, Tulsa, Okla. 74107. Applicant's representative: Steve B. McCommas (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Malt beverages and related advertising material and empty containers* returned, from Memphis, Tenn., to St. Joseph, Mo., for 180 days. SUPPORTING SHIPPER: Cities Sales Co., Inc., Patrick A. Halligan, Pres., 510 Seneca, St. Joseph, Mo. 64501. SEND PROTESTS TO: C. L. Phillips, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Rm. 240, Old P.O. Bldg., Oklahoma City, Okla. 73102.

No. MC 52460 (Sub-No. 146 TA), filed May 17, 1974. Applicant: ELLEX TRANSPORTATION, INC., 1420 W. 35th Street, P.O. Box 9515, Tulsa, Okla. 74107. Applicant's representative: Steve B. McCommas (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Meat and meat by-products and articles distributed by packing houses*, from the plant and storage facilities of Hyplains Dressed Beef, Inc., at or near Dodge City, Kans., to Bridgeport, Hartford, and Stamford, Conn.; Baltimore, Hagerstown, and Landover, Md.; Boston, New Bedford, Springfield, and Worcester, Mass.; Clifton, Elizabeth, Jersey City, Newark, Passaic, Paterson, and Woodbridge, N.J.; Albany, Henrietta, Nassau County, and its Commercial Zone, New York and its Commercial Zone, Rochester, Schenectady, and Suffolk County, N.Y.; Akron, Canton, Cincinnati, Cleveland, Lima, and Toledo, Ohio; Canonsburg, Harrisburg, Johnstown, Philadelphia, Pittsburgh, and Scranton, Pa.; Washington, D.C.; Bristol, Lynchburg, Norfolk, Richmond, Roanoke, and Salem, Va.; and Charleston and Wheeling, W. Va., for 180 days. SUPPORTING SHIPPER: Hyplains Dressed Beef, Inc., Jim Mitchell, Traffic Manager, P.O. Box 539, Ft. Dodge Road, Dodge City, Kans. 67801. SEND PROTESTS TO: C. L. Phillips, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Room 240, Old P.O. Building, 215 NW. Third, Oklahoma City, Okla. 73102.

No. MC 103933 (Sub-No. 809 TA), filed May 15, 1974. Applicant: MORGAN DRIVE-WAY, INC., 2800 W. Lexington Avenue, Elkhart, Ind. 46514. Applicant's representative: Paul D. Borghesani (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Trailers* designed to be drawn by passenger automobiles, in initial movements, from points in Woodbury County, Iowa, to points in Nebraska, South Dakota, North Dakota, Minnesota, Missouri, and Kansas, for 180 days. SUPPORTING SHIPPER: Alseaco, Inc., P.O. Drawer 2856, Sioux City, Iowa 51106. SEND PROTESTS TO: J. H. Gray, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 345 W. Wayne St., Room 204, Ft. Wayne, Ind. 46802.

No. MC 107295 (Sub-No. 714 TA), filed May 16, 1974. Applicant: PRE-FAB TRANSIT CO., a Corporation, 100 South Main Street, P.O. Box 146, Farmer City, Ill. 61842. Applicant's representative: Bruce J. Kinnee (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Steel joist and accessories*, from Grapeland, Tex., to points in Arizona, Arkansas, Kansas, Louisiana, Missouri, Oklahoma, Mississippi, Tennessee, and New Mexico, for

180 days. SUPPORTING SHIPPER: Boyd Howard, Traffic Manager, Vulcraft Corporation Division of Nucor, P.O. Box 187, Grapeland, Tex. 75844. SEND PROTESTS TO: Harold C. Jolliff, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Leland Office Building, Room 414, 527 East Capitol Avenue, Springfield, Ill. 62701.

No. MC 107295 (Sub-No. 715 TA), filed May 16, 1974. Applicant: PRE-FAB TRANSIT CO., a Corporation, 100 South Main Street, P.O. Box 146, Farmer City, Ill. 61842. Applicant's representative: Bruce J. Kinnee (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Fencing, netting, wire, fence stretchers, gates, and posts* (except commodities which because of size or weight require the use of special equipment), from the plantsite and facilities of Sentry Fence Division of Texas Steel & Wire Corporation at or near Houston, Tex., to Phoenix and Tucson, Ariz., and Salt Lake City, Utah, for 180 days. SUPPORTING SHIPPER: Michael R. Burke, Sales Manager, Sentry Fence Division of Texas Steel & Wire Corp., 2002 Brittmoore Road, Houston, Tex. 77043. SEND PROTESTS TO: Harold C. Jolliff, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Leland Office Building, Room 414, 527 East Capitol Avenue, Springfield, Ill. 62701.

No. MC 107295 (Sub-No. 716 TA), filed May 16, 1974. Applicant: PRE-FAB TRANSIT CO., a Corporation, 100 South Main Street, P.O. Box 146, Farmer City, Ill. 61842. Applicant's representative: Bruce J. Kinnee (same address as above). Authority sought to operate at a *common carrier*, by motor vehicle, over irregular routes, transporting: *Counter tops, window sills, sinks, and accessories* used in the installation thereof, from Brentwood (St. Louis County), Mo., to Anna, Arthur, Chicago, Chicago Heights, Chicago Ridge, Country Side, Fairbury, Marion, Elk Grove Village, Peoria, Morton, Farmer City, Lake Bluff, Ingleside, and Springfield, Ill.; Mansfield, Akron, Niles, Lima, Cleveland, Bedford, Columbus, Lancaster, and Dayton, Ohio; West Union and Huntington, W. Va.; New Castle, Delaware; Cedar Rapids, Waterloo, Mason City, and Des Moines, and Ottumwa, Iowa; Providence, R.I.; Baltimore, Md.; Billings, Mont.; Hutchison, Kansas City, Topeka, and Parsons, Kans.; Saginaw, Harrison, Portage, Dowagiac, Battle Creek, and Vassar, Mich.; Paducah, Lexington, Hopkinsville, and Louisville, Ky.; Hanover and Hatfield, Mass.; Hamburg, Schenectady, Cohoes, Elnora, Albany, Lakewood, and Glens Falls, N.Y.; Indianapolis, Evansville, and Richmond, Ind.; Belleville, N.J.; Omaha and Lincoln, Nebr.; Philadelphia and Nescopek, Pa.; Sioux Falls and Aberdeen, S. Dak.; Bismarck, Grand Forks, and Fargo, N. Dak.; Minneapolis, Fridley, Rochester, St. Cloud, Brainerd, Willmar, Marshall, Duluth, Virginia, Bemidji, and Alexandria, Minn., for 180 days. SUPPORTING SHIPPER: Eugene Connolly, V.P., Laminated Plastics, Inc., 1008 Hanley Industrial Court, St. Louis, Mo. 63144. SEND PROTESTS TO: Harold C. Jolliff, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Leland Office Building, Room 414, 527 East Capitol Avenue, Springfield, Ill. 62701.

No. MC 111401 (Sub-No. 416 TA), filed May 16, 1974. Applicant GROENDYKE TRANSPORT, INC., 2510 Rock Island Blvd., P.O. Box 632, Enid, Okla. 73701. Applicant's representative: Victor R. Comstock (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Vapor drying solvent* (Petroleum Naphtha) in bulk, in tank vehicles, from Cotton Valley, La., to points in New Mexico, for 180 days. SUPPORTING SHIPPER: Kerr-McGee Corporation, Ray F. Fischer, Transportation Mgr., P.O. Box 25861, Oklahoma City, Okla. 73125. SEND PROTESTS TO: C. L. Phillips, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Room 240, Old P.O. Building, 215 NW. Third, Oklahoma City, Okla. 73102.

No. MC 111401 (Sub-No. 417 TA), filed May 16, 1974. Applicant: GROENDYKE TRANSPORT, INC., 2510 Rock Island Blvd., P.O. Box 632, Enid, Okla. 73701. Applicant's representative: Victor R. Comstock (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Fuel oil*, in bulk, in tank vehicles, from Monument, N. Mex., to Tulsa, Muskogee, Enid, Comanche, and Harrah, Okla., and to Liberal, Garden City, Scott City, Ulysses, Dodge City, Heizer, Wichita, Goodland, Hays, and Anthony, Kans., for 180 days. SUPPORTING SHIPPER: Asphalt and Petroleum Industries, Inc., Joe Deal, President, Suite 126, Skyline East, 6111 East Skelly Drive, Tulsa, Okla. 74145. SEND PROTESTS TO: C. L. Phillips, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Room 240, Old Post Office Building, 215 NW. Third, Oklahoma City, Okla. 73102.

No. MC 114896 (Sub-No. 17 TA), filed May 14, 1974. Applicant: PUROLATOR SECURITY INC., 1341 W. Mockingbird Lane, Suite 1101 E. Mockingbird Towers, Dallas, Tex. 75247. Applicant's representative: William E. Fullingim (same address as applicant). Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Precious metals* (gold, silver bars, and coins), between Corpus Christi, Tex., and Newark, N.J., for 180 days. SUPPORTING SHIPPER: Metals, Inc., 300 Agnes Street, Corpus Christi, Tex. 78408. SEND PROTESTS TO: District Supervisor Gerald T. Holland, Interstate Commerce Commission, Bureau of Operations, 1100 Commerce Street, Room 13C12, Dallas, Tex. 75202.

No. MC 115162 (Sub-No. 289 TA) (CORRECTION), filed April 16, 1974, published in the FEDERAL REGISTER issue of May 1, 1974, and republished as corrected this issue. Applicant: POOLE TRUCK LINE, INC., P.O. Drawer 500, Evergreen, Ala. 36401. Applicant's representative: Robert E. Tate (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Metal fireplaces and components*, from points in Madison and Limestone Counties, Ala., to points in Madison County, Ind., for 180 days. SUPPORTING SHIPPER: Fireside Distributor, Inc., 2225 Broadway, Anderson, Ind. 46012. SEND PROTESTS TO: Clifford W. White, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Room 1616, 2121 Building, Birmingham, Ala. 35203.

NOTE.—The purpose of this republication is to correct the destination point as Madison County, Ind., in lieu of Madison County, La., which was published in the FEDERAL REGISTER in error.

No. MC 115322 (Sub-No. 104 TA), filed May 16, 1974. Applicant: REDWING REFRIGERATED, INC., Mlg: P.O. Box 10177. Off: Highway 527, Taft, Fla. 32809. Applicant's representative: J. V. McCoy, P.O. Box 426, Tampa, Fla. 33601. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Frozen foods and materials, supplies, equipment, and ingredients* used in the manufacturing, packaging, and distribution of frozen foods (except in bulk), between the plant and warehouse facilities of the Quaker Oats Company in or near Jackson, Tenn., on the one hand, and, on the other, points in Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia, and Washington, D.C., restricted to traffic originating at or destined to the plant and warehouse facilities of the Quaker Oats Company in or near Jackson, Tenn., for 180 days. SUPPORTING SHIPPER: The Quaker Oats Company, Merchandise Mart Plaza, Chicago, Ill. 60654. SEND PROTESTS TO: District Supervisor G. H. Fauss, Jr., Interstate Commerce Commission, Bureau of Operations, Box 35008, 400 W. Bay St., Jacksonville, Fla. 32202.

No. MC 115524 (Sub-No. 25 TA), filed May 16, 1974. Applicant: BURSCH TRUCKING, INC., doing business as ROADRUNNER TRUCKING, INC., 415 Rankin Road NE., Albuquerque, N. Mex. 87107. Applicant's representative: Don F. Jones (same address as above). Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Asphalt*, other than in bulk, in tank vehicles, (1) from the plant site, warehouse, and storage facilities of United Asphalt, Ponca City, Okla., and United Asphalt, El Paso, Tex., to points in Arizona, Colorado, and New Mexico, and (2) from the plant site, warehouse, and storage facilities of APCO, Cyril, Okla., to points in Arizona,

Colorado, and New Mexico, for 180 days. SUPPORTING SHIPPER: Sagebrush Sales Company, P.O. Box 25606, Albuquerque, N. Mex. 87125. SEND PROTESTS TO: John H. Kirkemo, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 1106 Federal Office Building, 517 Gold Avenue, SW., Albuquerque, N. Mex. 87101.

No. MC 116698 (Sub-No. 11 TA), filed May 15, 1974. Applicant: BILL G. CARR AND PHYLLIS R. CARR, doing business as ARROWHEAD TRANSPORTATION, 103 Moore Lane, Billings, Mont. 59102. Applicant's representative: Joe Gerbase, Transwestern Life Building, Billings, Mont. 59101. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except those of unusual value, Class A and B explosives, household goods as defined by the Commission, commodities in bulk, and commodities requiring special equipment, between Billings and Laurel, Mont.: From Billings over Interstate Highway 90 and U.S. Highway 10 to Laurel, and return over the same route, serving all intermediate points, and serving Laurel, Mont., for the purpose of joinder only, for 180 days.

NOTE.—Applicant will join with MC 116698 Sub 6 and interline with other carriers at Billings, Mont.

SUPPORTING SHIPPERS: Marchello IGA, Red Lodge, Mont. 59068, Red Lodge Auto Parts, Red Lodge, Mont. 59068, and Waters Mens Store, Red Lodge, Mont. 59068. SEND PROTESTS TO: Paul J. Labane, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Room 222, U.S. Post Office Building, Billings, Mont. 59101.

No. MC 117940 (Sub-No. 130 TA), filed May 16, 1974. Applicant: NATIONWIDE CARRIERS, INC., P.O. Box 104, Maple Plain, Minn. 55359. Applicant's representative: Donald L. Stern, Suite 530, Univac Building, 7100 West Center Road, Omaha, Nebr. 68106. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Frozen foods*, from the plantsite and facilities utilized by the Kitchens of Sara Lee located at or near Deerfield and Chicago, Ill., to points in Minnesota and Wisconsin, restricted to traffic originating at the plantsites and facilities utilized by the Kitchens of Sara Lee, for 180 days. SUPPORTING SHIPPER: Kitchens of Sara Lee, 500 Waukegan Road, Deerfield, Ill. 60015. SEND PROTESTS to: A. N. Spath, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 414 Federal Building & U.S. Court House, 110 S. 4th St., Minneapolis, Minn. 55401.

No. MC 123294 (Sub-No. 32 TA), filed May 16, 1974. Applicant: WARSAW TRUCKING CO., INC., 1102 W. Winona Avenue, P.O. Box 784, Warsaw, Ind. 46580. Applicant's representative: Martin J. Leavitt, 22375 Haggerty Road, P.O. Box 400, Northville, Mich. 48167. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Dry animal and poultry feeds, dry animal and poultry mineral mixtures, animal and poultry tonics, animal and poultry medicines, animal and poultry insecticides, livestock and poultry feeders and equipment, and advertising matter and premiums related to such commodities*, from Quincy and Alpha, Ill., to points in Virginia, West Virginia, Georgia, Florida, Kentucky, Tennessee, Alabama, New York, New Jersey, Delaware, Maryland, and the District of Columbia; and (2) *Materials, equipment and supplies* used in the manufacturing, sales, and distribution of the above named commodities, from points in Virginia, West Virginia, Georgia, Florida, Kentucky, Tennessee, Alabama, New York, New Jersey, Delaware, Maryland, and the District of Columbia, to Quincy and Alpha, Ill., for 150 days. SUPPORTING SHIPPER: Moorman Manufacturing Company, 1000 North 30th St., Quincy, Ill. 62301. SEND PROTESTS TO: J. H. Gray, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 345 W. Wayne St., Room 204, Ft. Wayne, Ind. 46802.

No. MC 124236 (Sub-No. 70 TA), filed May 16, 1974. Applicant: CHEMICAL EXPRESS CARRIERS, INC., 1200 Simons Building, Dallas, Tex. 75201. Applicant's representative: Leroy Hallman, 4555 First National Bank Bldg., Dallas, Tex. 75202. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid silicate of soda*, in bulk, from Dallas, Tex., to Albuquerque, Lovington, and Molybdenum, N. Mex., for 180 days. SUPPORTING SHIPPER: Diamond Shamrock Chemical Co., 1100 Superior Avenue, Cleveland, Ohio 44114. SEND PROTESTS TO: District Supervisor Gerald T. Holland, Interstate Commerce Commission, Bureau of Operations, 1100 Commerce Street, Room 13C12, Dallas, Tex. 75202.

No. MC 124328 (Sub-No. 62 TA), filed May 16, 1974. Applicant: BRINK'S INCORPORATED, 234 E. 24th Street, Chicago, Ill. 60616. Applicant's representative: John G. O'Keefe, O'Hare Plaza, Suite 650, 5725 E. River Road, Chicago, Ill. 60631. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Precious metals and/or coins* in bags, bars, bullion, and species, from Laredo, Tex., to New York, N.Y., Newark, N.J., Fairfield, Conn., and El Monte, Calif., for 180 days. SUPPORTING SHIPPER: J. Aron & Company Inc., 160 Water Street, New York, N.Y. 10005. SEND PROTESTS TO: District Supervisor Richard K. Shullaw, Interstate Commerce Commission, Bureau of Operations, Everett McKinley Dirksen Building, 219 S. Dearborn Street, Room 1086, Chicago, Ill. 60604.

No. MC 125035 (Sub-No. 33 TA), filed May 16, 1974. Applicant: RAY E. BROWN TRUCKING, INC., Off: 1226 Stuart Street NW., Post Office Box 501, Massillon, Ohio 44646. Applicant's representative: David L. Pemberton, 50 West Broad Street, Columbus, Ohio 43215. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Ice cream, ice cream confections, ice confections, ice water confections, and pallets* used in the transportation thereof, between Peoria, Ill., on the one hand, and, on the other, points in Ohio on and north of Interstate Highway 70, for 180 days. SUPPORTING SHIPPER: Sealtest Foods, Division of Kraftco Corp., P.O. Box 5587, Cleveland, Ohio 44101. SEND PROTESTS TO: Frank L. Calvary, District Supervisor, Interstate Commerce Commission,, Bureau of Operations, 220 Federal Building & U.S. Courthouse, 85 Marconi Boulevard, Columbus, Ohio 43215.

No. MC 125035 (Sub-No. 34 TA), filed May 16, 1974. Applicant: RAY E. BROWN TRUCKING, INC., Off: 1226 Stuart Street NW., P.O. Box 501, Massillon, Ohio 44646. Applicant's representative: David L. Pemberton, 50 West Broad Street, Columbus, Ohio 43215. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Food and foodstuffs*, not frozen (except in bulk, in tank vehicles), from the plantsites and facilities of the Kraftco Corporation and its division, Kraft Foods at or near Kendallville, Ind., to Fogelsville, Pittsburgh, and Philadelphia, Pa., Buffalo, N.Y., Landover, Md., Washington, D.C., and Hillside, Woodbridge, and Elizabeth, N.J., for 180 days. SUPPORTING SHIPPER: Kraft Foods, Division of Kraftco Corp., 447 East Grand Avenue, Chicago, Ill. 60611. SEND PROTESTS TO: Frank L. Calvary, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 220 Federal Building & U.S. Courthouse, 85 Marconi Boulevard, Columbus, Ohio 43215.

No. MC 125035 (Sub-No. 35 TA), filed May 16, 1974. Applicant: RAY E. BROWN TRUCKING, INC., Off: 1226 Stuart Street NW., P.O. Box 501, Massillon, Ohio 44646. Applicant's representative: David L. Pemberton, 50 West Broad Street, Columbus, Ohio 43215. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Food and foodstuffs*, not frozen, except in bulk, in tank vehicles, from the plantsites and facilities of the Kraftco Corporation and its division, Kraft Foods, at or near Champaign, Ill., to Cleveland, Akron, Canton, Massillon, Dennison, Bedford Heights, Maple Heights, Solon, Warrensville, Youngstown, Defiance, Maumee, and Toledo, Ohio, for 180 days. SUPPORTING SHIPPER: Kraft Foods, Division of Kraftco Corp., 447 East Grand Avenue, Chicago, Ill. 60611. SEND PROTESTS TO: Frank L. Calvary, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 220 Federal Building & U.S. Courthouse, 85 Marconi Boulevard, Columbus, Ohio 43215.

No. MC 127030 (Sub-No. 5 TA), filed May 15, 1974. Applicant: MATTHEW J. DE PALMA, INC., 1700 Orthodox Street, Philadelphia, Pa. 19124. Applicant's representative: Leonard W. Becker (same address as above). Authority sought to

operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Ferro manganese*, in bulk, in dump vehicles, from Belle Mead, N.J., to East Liverpool, Ohio, and Niagara Falls, N.Y., for 180 days. SUPPORTING SHIPPER: Calvin W. Lamb, Manager of Traffic & Distribution, Airco Alloys—a Division of Airco, Inc., P.O. Box 368, Niagara Falls, N.Y. 14302. SEND PROTESTS TO: F. W. Doyle, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Federal Building, 600 Arch Street, Room 3238, Philadelphia, Pa. 19106.

No. MC 128021 (Sub-No. 12 TA), filed May 17, 1974. Applicant: DIVERSIFIED PRODUCTS TRUCKING CORPORATION, 309 Williamson Avenue, P.O. Box 100, Opelika, Ala. 36801. Applicant's representative: Robert E. Tate, P.O. Box 517, Evergreen, Ala. 36401. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Charcoal, charcoal pellets, bagged, vermiculite o/c (base for grill), charcoal lighter fluid (naphtha distillate), hickory chips (for flavoring), bagged, fireplace logs, sawdust, wax impregnated*, from Springfield, Oreg., to points in Arizona and California, under a continuing contract or contracts with The Kingsford Company, Louisville, Ky., for 180 days. SUPPORTING SHIPPER: Kingsford Company, P.O. Box 1033, Louisville, Ky., 40201. SEND PROTESTS TO: Clifford W. White, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Room 1616, 2121 Building, Brimingham, Ala. 35203.

No. MC 128030 (Sub-No. 68 TA), filed May 15, 1974. Applicant: THE STOUT TRUCKING CO., INC., P.O. Box 177, R. R. #1, Urbana, Ill. 61801. Applicant's representative: R. C. Stout (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Commodities* used in the packaging, labeling, manufacture, and shipping of Glass Containers and parts thereof; and (2) *Glass Containers and closures* thereof, (1) from points in Illinois and Missouri, to the plantsite of Midland Glass Co., Terre Haute, Ind. and (2) from the plantsite of Midland Glass Co., Terre Haute, Ind., to points in Ohio, for 180 days. SUPPORTING SHIPPER: Mr. James V. L. Jones, Manager of Transportation, Midland Glass Co., Inc., P.O. Box 557, Cliffwood, N.J. 07721. SEND PROTESTS TO: Robert G. Anderson, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Everett McKinley Dirksen Bldg., 219 S. Dearborn St., Room 1086, Chicago, Ill. 60604.

No. MC 133939 (Sub-No. 3 TA) (AMENDMENT), filed April 24, 1974, published in the FEDERAL REGISTER issue of May 8, 1974, and republished as amended this issue. Applicant: IMPERIAL AIR FREIGHT SERVICE, INC., 151 Oliver Street, Newark, N.J. 07105. Applicant's representative: Charles E. Creager, P.O. Box 1417, Hagerstown, Md. 21740.

NOTE.—The purpose of this republication is to add additional supporting shippers. The supporting shippers are: Kingston Packaging Corp., P.O. Box 687, Kingston, N.Y. 12401; Nabisco, Inc., 425 Park Avenue, New York, N.Y. 10022; and Triangle Electronics Manufacturing Co., Inc., 182 North Hamilton Street, Poughkeepsie, N.Y. 12602. The rest of the application will remain as previously published.

No. MC 134022 (Sub-No. 9 TA), filed May 15, 1974. Applicant: RICHARD A. ZIMA, doing business as ZIPCO, 4008 Schuster Drive, P.O. Box 115, West Bend, Wis. 53095. Applicant's representative: Nancy J. Johnson, 4506 Regent Street, Suite 100, Madison, Wis. 53705. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Malt beverages and related advertising materials, supplies, premiums, and equipment* when shipped therewith and the *return of empty containers and rejected shipments*, (1) from Trenton, N.J., Manhattan Borough, N.Y., and Baltimore, Md., to Milwaukee, Wis.; and (2) from Trenton, N.J., to Madison and Racine, Wis., for 180 days. SUPPORTING SHIPPERS: Tiffany Distributing, Inc., 3516 W. Pierce Street, Milwaukee, Wis. 53215 (Kirby M. Lawlis, President), and Simon Bros. Co., Inc., 901 E. Washington Avenue, Madison, Wis. 53703 (Harold Sipple, President). SEND PROTESTS TO: District Supervisor John E. Ryden, Interstate Commerce Commission, Bureau of Operations, 135 West Wells Street, Room 807, Milwaukee, Wis. 53203.

No. MC 134182 (Sub-No. 24 TA), filed May 16, 1974. Applicant: MILK PRODUCERS MARKETING COMPANY, doing business as ALL-STAR TRANSPORTATION, Second and West Turnpike Road, P.O. Box 505, Lawrence, Kans. 66044. Applicant's representative: Lucy Kennard Bell, Suite 910 Fairfax Bldg., 101 West Eleventh Street, Kansas City, Mo. 64105. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Meat, meat products, meat by-products, and articles distributed by meat packing houses* as described in Sections A and C of Appendix I to the report in *Descriptions in Motor Carrier Certificates*, 61 M.C.C. 209 and 766 (except hides and commodities in bulk), from Mankato, Kans., to Dayton and Cleveland, Ohio, for 180 days. SUPPORTING SHIPPER: Dubuque Packing Company, P.O. Box 283, Mankato, Kans. 66956. SEND PROTESTS TO: Thomas P. O'Hara, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 234 Federal Building, Topeka, Kans. 66603.

No. MC 134387 (Sub-No. 21 TA), filed May 17, 1974. Applicant: BLACKBURN TRUCK LINES, INC., 4998 Branyon Avenue, South Gate, Calif. 90280. Applicant's representative: David P. Christianson, 825 City National Bank Building, 606 South Olive Street, Los Angeles, Calif. 90014. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Empty cans and can ends*, from points in Orange County, Calif., to points in Coconino County, Ariz., for 180 days. SUPPORTING SHIPPER: Crown Cork & Seal Company, Inc., 9300 Ashton Road, Philadelphia, Pa. 19136. SEND PROTESTS TO: Walter W. Strakosch, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Room 7708 Federal Building, 300 North Los Angeles Street, Los Angeles, Calif. 90012.

No. MC 134477 (Sub-No. 63 TA), filed May 16, 1974. Applicant: SCHANNO TRANSPORTATION, INC., Off: 5 West Mendota Road, Mlg: P.O. Box 3496, West St. Paul, Minn. 55118. Applicant's representative Thomas Fischbach (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Cloth or fabric*, made of cotton or synthetic fibers, from Kenyon, R.I., and Rockville, Conn., to St. Cloud, Minn., for 180 days. SUPPORTING SHIPPER: Stearns Manufacturing Company, P.O. Box 1498, St. Cloud, Minn. 56301. SEND PROTESTS TO: A. N. Spath, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 414 Federal Building & U.S. Court House, 110 S. 4th St., Minneapolis, Minn. 55401.

No. MC 134477 (Sub-No. 64 TA), filed May 16, 1974. Applicant: SCHANNO TRANSPORTATION, INC., Off: 5 West Mendota Road, Mlg: P.O. Box 3496, West St. Paul, Minn. 55118. Applicant's representative: Thomas Fischbach (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Polyvinyl chloride plastic foam*, cellular or expanded, from Elkhart, Ind., to St. Cloud, Minn., for 180 days. SUPPORTING SHIPPER: Stearns Manufacturing Company, P.O. Box 1498, St. Cloud, Minn. 5601. SEND PROTESTS TO: A. N. Spath, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 414 Federal Building & U.S. Court House, 110 S. 4th Street, Minneapolis, Minn. 55401.

No. MC 134978 (Sub-No. 7 TA), filed May 16, 1974. Applicant: C. P. BELUE, doing business as BELUE's TRUCKING, Route 2, Chesnee, S.C. 29323. Applicant's representative: Mitchell King, Jr., P.O. Box 1628, Greenville, S.C. 29602. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Agricultural lime* (except in bulk, in tank vehicles), from points in Jefferson County, Tenn., and Crab Orchard, Tenn., to points in Cherokee, Graham, Clay, Macon, Swain, Jackson, Haywood, Rutherford, Henderson, Cleveland, Lincoln, Gaston, and Union Counties, N.C.; points in Transylvania, Madison, Buncombe, Yancey, Avery, Mitchell, McDowell, Polk, Burke, Catawba, Mecklenburg, and Cabarrus Counties, N.C.; and points in Oconee, Pickens, Anderson, Newberry, Laurens, Chester, York, Abbeville, Greenwood, Greenville, Cherokee, Union, Fairfield, and Spartanburg Counties, S.C., for 180 days. SUPPORTING SHIPPER: International Minerals & Chemical Corp., Route 1, Box 29BJ, Inman, S.C. 29349. SEND PRO-

TESTS TO: E. E. Strotheid, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Room 302, 1400 Building, 1400 Pickens St., Columbia, S.C. 29201.

No. MC 136378 (Sub-No. 6 TA), filed May 17, 1974. Applicant: R & L TRUCKING CO., INC., 105 Rocket Avenue, Opelika, Ala. 36801. Applicant's representative: Robert E. Tate, P.O. Box 517, Evergreen, Ala. 36401. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Malt beverages*, from points in Duval County, Fla., to points in Lee County, Ala., for 180 days. SUPPORTING SHIPPER: Eagle Budweiser Distributing Company, 105 Rocket Avenue, Opelika, Ala. SENT PROTESTS TO: Clifford W. White, District Supervisor, Bureau of Operations, Interstate Commerce Commission, Room 1616, 2121 Building, Birmingham, Ala. 35203.

No. MC 138984 (Sub-No. 3 TA), filed May 16, 1974. Applicant: PARADIS TRANSFER AND STORAGE CO., INC., 922 Whitman, Medford, Oreg. 97501. Applicant's representative: Robert R. Hollis, 400 Pacific Building, Portland, Oreg. 97204. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Beverages* (except alcoholic beverages), between Grants Pass, Medford, and Klamath Falls, Oreg., on the one hand, and Yreka, Calif., on the other hand, for 180 days. SUPPORTING SHIPPER: Medford Coca-Cola Bottling Co., Inc., 3074 Crater Lake Avenue, Medford, Oreg. 97501. SEND PROTESTS TO: District Supervisor A. E. Odoms, Interstate Commerce Commission, Bureau of Operations, 114 Pioneer Courthouse, Portland, Oreg. 97204.

No. MC 139112 (Sub-No. 2 TA), filed May 16, 1974. Applicant: CALEX EXPRESS, INC., 149 Warden Avenue, Trucksville, Pa. 18708. Applicant's representative: Kenneth R. Davis, 999 Union Street, Taylor, Pa. 18517. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Above-ground swimming pools*, from Wilkes-Barre, Pa., to Colton, Calif., and (2) *Accessories* used in connection with above-ground swimming pools, from Colton, Calif., to Wilkes-Barre, Pa., for 150 days. SUPPORTING SHIPPER: Muskin Corporation, P.O. Box 629, Wilkes-Barre, Pa. 18705. SEND PROTESTS TO: District Supervisor Paul J. Kenworthy, Interstate Commerce Commission, Bureau of Operations, 309 U.S. Post Office Building, Scranton, Pa. 18503.

No. MC 139279 (Sub-No. 2 TA), filed May 16, 1974. Applicant GUY CLAIBORNE doing business as CLAIBORNE GRAIN COMPANY, P.O. Box 162, Coyville, Kans. 66727. Applicant's representative: Lucy Kennard Bell, 910 Fairfax Building, 101 West 11th Street, Kansas City, Mo. 64105. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Scaffolding and scaffolding products, ladders, personnel/material hoist towers, concrete forms and concrete handling machinery, and shoring equipment*, between points in the United States (except Alaska, Hawaii, Maine, Vermont, Connecticut, Massachusetts, New Hampshire, Rhode Island, Michigan, Wisconsin, Minnesota, Utah, New Mexico, Colorado, Delaware, and the District of Columbia), under a continuing contract or contracts with Patent Scaffolding Company, a division of Harsco Corporation, for 180 days. SUPPORTING SHIPPER: Patent Scaffolding Company, Division of Harsco Corporation, 1927 Vine, Kansas City, Mo. 64108. SEND PROTESTS TO: M. E. Taylor, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 501 Petroleum Bldg., Wichita, Kans. 67202.

No. MC 139420 (Sub-No. 5 TA), filed May 15, 1974. Applicant: ART GREENBERG, doing business as GLACIER TRANSPORT, P.O. Box 428, Grand Forks, N. Dak. 58201. Applicant's representative: James B. Hovland, 425 Gate City Building, Fargo, N. Dak. 58102. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Equipment, materials, and supplies* used in the manufacture of hydraulic cylinders, from Shelby, Ohio, and Lone Star, Tex., to the facilities of Rugby Hydraulic Company at or near Rugby, N. Dak., for 180 days. SUPPORTING SHIPPER: Rugby Hydraulic Company, P.O. Box 328, Rugby, N. Dak. 58369. SEND PROTESTS TO: J. H. Ambs, District Supervisor, Interstate Commerce Commission, Bureau of Operations, P.O. Box 2340, Fargo, N. Dak. 58102.

By the Commission.

[SEAL] ROBERT L. OSWALD, *Secretary.*

[FR Doc.74-12661 Filed 5-31-74;8:45 am]

IRREGULAR-ROUTE MOTOR COMMON CARRIERS OF PROPERTY

Elimination of Gateway Letter Notices

MAY 28, 1974.

The following letter-notices of proposals to eliminate gateways for the purpose of reducing highway congestion, alleviating air and noise pollution, minimizing safety hazards, and conserving fuel have been filed with the Interstate Commerce Commission under the Commission's *Gateway Elimination* Rules (49 CFR 1065(a)), and notice thereof to all interested persons is hereby given as provided in such rules.

An original and two copies of protests against the proposed elimination of any gateway herein described may be filed with the Interstate Commerce Commission on or before June 13, 1974. A copy must also be served upon applicant or its representative. Protests against the elimination of a gateway will *not* operate to stay commencement of the proposed operation.

Successively filed letter-notices of the same carrier under these rules will be numbered consecutively for convenience in identification. Protests, if any, must refer to such letter-notices by number.

No. MC-51146 (Sub-No. E1) (Correction), filed April 18, 1974, published in the FEDERAL REGISTER May 10, 1974. Applicant: SCHNEIDER TRANSPORT, INC., P.O. Box 2298, Green Bay, Wis. 54306. Applicant's representative: D. F. Martin (same as above).

Proposal 3—part B. *Materials and supplies* used in the manufacture and distribution of paper products (except commodities in bulk), from points in Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New Jersey, Delaware, Maryland, Virginia, North Carolina, and points in that part of New York east of New York Highway 30, to points in the Upper Peninsula of Michigan.

Proposal 5—part B. *Materials and supplies* used in the manufacture and distribution of paper products (except commodities in bulk) from Evansville, Ind., to points in the Upper Peninsula of Michigan. The purpose of the correction of proposals 3B and 5B is to exclude the transportation of commodities in bulk.

Proposal 22—part A. *Paper and paper products* (except drums, pails, and cans and commodities in bulk), from points in that part of Michigan on and south of a line beginning at Ludington and U.S. Highway 10, and thence east along U.S. highway 10 to Bay City, thence along the eastern shore of Saginaw Bay to Lake Huron, to points in North Dakota, South Dakota and Nebraska. The purpose of this correction is to redescribe the origin territory.

Proposal 43. *Cellulose materials and products, paper and paper products*, and *materials, equipment, and supplies* used in the production of the above-described commodities (except commodities in bulk), between points in the Lower Peninsula of Michigan, on the one hand, and, on the other, points in Arizona, Washington, Oregon, California, Nevada, Idaho, Utah, Wyoming, Colorado, and New Mexico. The purpose of this correction is to include points in Arizona in the destination territory.

Proposal 48—part A. *Paper and paper products* (except drums, pails, and cans and commodities in bulk), from points in that part of Iowa north and east of a line beginning at the junction of the Iowa-Minnesota State line and U.S. Highway 65, thence south along U.S. Highway 65 to Mason City, thence east from Mason City along U.S. Highway 18 to Charles City, thence south from Charles City along U.S. Highway 218 to Iowa City, thence east from Iowa City along U.S. Highway 6 to the junction of U.S. Highway 6 and the Iowa-Illinois State line, to points in those parts of California, Oregon, and Washington which are on and west of Interstate Highway 5. The purpose of this correction is to exclude points in California and Oregon east of Interstate Highway 5 from the destination territory.

Proposal 52—part A. *Paper and paper products* (except commodities in bulk), from points in Alabama (except Mobile

and points in its commercial zone as defined by the Commission, and points on and north of U.S. Highway 78, including points in the commercial zones of points on U.S. Highway 78) to points in Washington, Montana (except points south and east of a line beginning at the Wyoming-Montana State line near Gardiner, thence north along U.S. Highway 89 to the intersection of U.S. Highway 10, thence east along U.S. Highway 10 to the Montant-North Dakota State line), Idaho (except points south of a line beginning at the Oregon-Idaho State line, thence southeast along U.S. Highway 30 to the intersection of U.S. Highway 30N, thence along U.S. Highway 30N to the intersection of U.S. Highway 91, thence along U.S. Highway 91 to the intersection of U.S. Highway 26, thence along U.S. Highway 26 to the Idaho-Wyoming State line), Oregon (except points south and east of a line beginning at the junction of the California-Oregon State line and U.S. Highway 395, thence along U.S. Highway 395 to the junction of U.S. Highway 395 and U.S. Highway 20, thence along U.S. Highway 20 to the Oregon-Idaho State line), and California (except points south of a line beginning at Noyo thence east along California Highway 20 to the junction of California Highway 20 and Interstate Highway 80, thence along Interstate Highway 80 to the California-Nevada State line. The purpose of this correction is to redescribe the destination points in Montana and Idaho.

Proposal 53—part 2. *Materials and supplies used in the manufacture and distribution of paper and paper products* (except commodities in bulk), from points in Virginia, Maryland, Delaware, New Jersey, New York, Connecticut, Rhode Island, Massachusetts, Vermont, New Hampshire, Maine, and the District of Columbia to points in Alabama (except Mobile and points in its commercial zone as defined by the Commission, and points on and north of U.S. Highway 78, including points in the commercial zones of points on U.S. Highway 78). The purpose of this correction is to include supplies as a commodity to be transported from the destination territory to the origin territory.

No. MC–110525 (Sub-No. E181), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* (except bituminous products and materials), in bulk, in tank vehicles, from points in Georgia to those points in Illinois on and north of a line beginning at the Illinois-Indiana State line, thence along U.S. Highway 150 to Paris, thence along Illinois Highway 16 to Pana, thence along Illinois Highway 29 to Springfield, thence along Illinois Highway 36 to the Illinois-Missouri State line. The purpose of this filing is to eliminate the gateways of Copperhill, Tenn., and Louisville, Ky.

No. MC–110525 (Sub-No. E182), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* (except bituminous products and materials), in bulk, in tank vehicles, from points in Georgia to those points in Indiana on and north of Interstate Highway 70. The purpose of this filing is to eliminate the gateways of Copperhill, Tenn., and Louisville, Ky.

No. MC–110525 (Sub-No. E183), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* (except bituminous products and materials), in bulk, in tank vehicles, between points in Georgia and points in Iowa. The purpose of this filing is to eliminate the gateways of Copperhill, Tenn., and Louisville, Ky.

No. MC–110525 (Sub-No. E184), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* (except bituminous products and materials), in bulk, in tank vehicles, from points in Georgia to points in Kentucky. The purpose of this filing is to eliminate the gateway of Copperhill, Tenn.

No. MC–110525 (Sub-No. E185), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downington, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid Chemicals* (except bituminous products and materials, hydrofluosilic acid, such naval stores as are chemicals, crude tall oil, sulphate, black liquor skimmings, and liquid alum), in bulk, in tank vehicles, from points in that part of Georgia on, north, and east of a line beginning at Augusta, thence along Interstate Highway 20 to Atlanta, thence along Interstate Highway 75 to the Georgia-Tennessee State line, to points in Louisiana. The purpose of this filing is to eliminate the gateway of Atlanta, Ga.

No. MC–110525 (Sub-No. E186), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downington, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* (except bituminous products and materials), in bulk, in tank vehicles, from points in Georgia to points in Maine. The purpose of this filing is to eliminate the gateways of Greensboro, N.C., and Syracuse, N.Y.

No. MC–110525 (Sub-No. E187), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* (except bituminous products and materials), in bulk, in tank vehicles, from points in Georgia to points in Maryland. The purpose of this filing is to eliminate the gateway of Greensboro, N.C.

No. MC–110525 (Sub-No. E188), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downington, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* (except bituminous products and materials), in bulk, in tank vehicles, from points in Georgia to points in Massachusetts. The purpose of this filing is to eliminate the gateways of Greensboro, N.C., and Fort Lee, N.J.

No. MC–110525 (Sub-No. E190), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* (except bituminous products and materials, hydrofluosilic acid, such naval stores as are chemicals, crude tall oil, sulphate, black liquor skimmings, and liquid alum), in bulk, in tank vehicles, from points in that part of Georgia on and east of a line beginning at the Tennessee-Georgia State line, thence along Interstate Highway 75 to Macon, thence along U.S. Highway 80, to Savannah, to points in that part of Mississippi on and north of Interstate Highway 20. The purpose of this filing is to eliminate the gateway of Atlanta, Ga.

No. MC–110525 (Sub-No. E191), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* (except bituminous products and materials), in bulk, in tank vehicles, from points in that part of Georgia on and south of U.S. Highway 78, to those points in that part of Missouri on and north of Interstate Highway 70. The purpose of this filing is to eliminate the gateways of Copperhill, Tenn., and Louisville, Ky.

No. MC–110525 (Sub-No. E192), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* (except bitumi-

nous products and materials), in bulk, in tank vehicles, from points in Georgia to points in Montana. The purpose of this filing is to eliminate the gateways of Copperhill, Tenn., and Addyston, Ohio.

No. MC–110525 (Sub-No. E193), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* (except bituminous products and materials), in bulk, in tank vehicles, from points in Georgia to points in Nebraska. The purpose of this filing is to eliminate the gateways of Copperhill, Tenn., and Louisville, Ky.

No. MC–110525 (Sub-No. E194), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* (except bituminous products and materials), in bulk, in tank vehicles, from points in Georgia to points in Nevada. The purpose of this filing is to eliminate the gateways of Copperhill, Tenn., and Addyston, Ohio.

No. MC–110525 (Sub-No. E195), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* (except bituminous products and materials), in bulk, in tank vehicles, from points in Georgia to points in New Hampshire. The purpose of this filing is to eliminate the gateways of Greensboro, N.C., and Syracuse, N.Y.

No. MC–110525 (Sub-No. E196), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* (except bituminous products and materials), in bulk, in tank vehicles, from points in Georgia to points in New Jersey. The purpose of this filing is to eliminate the gateway of Greensboro, N.C.

No. MC–110525 (Sub-No. E197), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* (except bituminous products and materials, hydrofluosilic acid, such naval stores as are chemicals, crude tall oil, sulphate, black liquor skimmings, and liquid alum), in bulk, in tank vehicles, from points in that part of Georgia on and east of a line beginning at the Tennessee-Georgia State line, thence along Interstate Highway 75 to Macon, thence along U.S. Highway 40 to Savannah, to points in New Mexico. The purpose of this filing is to eliminate the gateways of Atlanta, Ga., and points in Jefferson or Brazoria Counties, Tex.

No. MC–110525 (Sub-No. E198), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* (except bituminous products and materials), in bulk, in tank vehicles, from points in Georgia to points in New York. The purpose of this filing is to eliminate the gateway of Greensboro, N.C.

No. MC–110525 (Sub-No. E199), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* (except bituminous products and materials), in bulk, in tank vehicles, from points in Georgia to points in North Dakota. The purpose of this filing is to eliminate the gateways of Copperhill, Tenn., and Addyston, Ohio.

No. MC–110525 (Sub-No. E200), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* (except bituminous products and materials), in bulk, in tank vehicles, from points in Georgia to points in Wyoming. The purpose of this filing is to eliminate the gateways of Copperhill, Tenn., and Addyston, Ohio.

No. MC–110525 (Sub-No. E201), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* (except bituminous products and materials), in bulk, in tank vehicles, from points in Georgia to points in Ohio. The purpose of this filing is to eliminate the gateway of Copperhill, Tenn.

No. MC–110525 (Sub-No. E202), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* (except bituminous products and materials), in bulk, in tank vehicles, from points in Georgia to points in Oregon. The purpose of this filing is to eliminate the gateways of Copperhill, Tenn., and Addyston, Ohio.

No. MC–110525 (Sub-No. E204), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* (except bituminous products and materials), in bulk, in tank vehicles, from points in Georgia to points in Rhode Island. The purpose of this filing is to eliminate the gateways of Greensboro, N.C., and Fort Lee, N.J.

No. MC–110525 (Sub-No. E205), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* (except bituminous products and materials), in bulk, in tank vehicles, from points in Georgia to points in South Dakota. The purpose of this filing is to eliminate the gateway of Copperhill, Tenn., and Addyston, Ohio.

No. MC–110525 (Sub-No. E206), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* (except bituminous products and materials, hydrofluosilic acid, such naval stores as are chemicals, crude tall oil, sulphate, black liquor skimmings, and liquid alum), in bulk, in tank vehicles, from points in that part of Georgia on and south of U.S. Highway 78 to those points in that part of Tennessee on and west of U.S. Highway 27. The purpose of this filing is to eliminate the gateway of Atlanta, Ga.

No. MC–110525 (Sub-No. E207), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* (except bituminous products and materials, hydrofluoilic acid, such naval stores as are chemicals, crude tall oil, black liquor skimmings, and liquid alum), in bulk, in tank vehicles, from points in that part of Georgia on and east of a line beginning at the Georgia-Tennessee State line, thence along Interstate Highway 75 to Macon, thence along U.S. Highway 80 to Savannah, to points in Texas. The purpose of this filing is to eliminate the gateway of Atlanta, Ga.

No. MC–110525 (Sub-No. E208), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien

(same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* (except bituminous products and materials), in bulk, in tank vehicles, from points in Georgia to points in Utah. The purpose of this filing is to eliminate the gateways of Copperhill, Tenn., and Addyston, Ohio.

No. MC–110525 (Sub-No. E209), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* (except liquid hydrogen, liquid oxygen, liquid nitrogen, and bituminous products and materials), in bulk, in tank vehicles, from points in Georgia to points in Vermont. The purpose of this filing is to eliminate the gateways of Greensboro, N.C., and Syracuse, N.Y.

No. MC–110525 (Sub-No. E210), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* (except bituminous products and materials), in bulk, in tank vehicles, from points in Georgia to points in Washington. The purpose of this filing is to eliminate the gateway of Copperhill, Tenn., and Addyston, Ohio.

No. MC–110525 (Sub-No. E211), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* (except bituminous products and materials), in bulk, in tank vehicles, from points in Georgia to points in Wisconsin. The purpose of this filing is to eliminate the gateways of Copperhill, Tenn., and Louisville, Ky.

No. MC–110525 (Sub-No. E219), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals*, in bulk, in tank vehicles, from points in Indiana to points in New Hampshire. The purpose of this filing is to eliminate the gateways of Pittsburgh, Pa., and Syracuse, N.Y.

No. MC–110525 (Sub-No. E223), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals*, in bulk, in tank vehicles, from points in Indiana to points in Rhode Island. The purpose of this filing is to eliminate the gateways of Pittsburgh, Pa., and Newark, N.J.

No. MC–110525 (Sub-No. E224), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* (except bituminous products and materials), in bulk, in tank vehicles, from points in that part of Indiana on and north of Interstate Highway 70, to those points in that part of South Carolina on and east of U.S. Highway 21. The purpose of this filing is to eliminate the gateway of S. Charleston, W. Va.

No. MC–110525 (Sub-No. E225), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* (except liquid hydrogen, liquid oxygen, and liquid nitrogen), in bulk, in tank vehicles, from points in Indiana to points in Vermont. The purpose of this filing is to eliminate the gateways of Clairton, Pa., and Syracuse, N.Y.

MC–110525 (Sub-No. E226), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals*, in bulk, in tank vehicles, from points in Indiana to points in that part of Virginia on and east of U.S. Highway 21. The purpose of this filing is to eliminate the gateway of S. Charleston, W. Va.

No. MC–110525 (Sub-No. E227), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* (except bituminous products and materials), in bulk, in tank vehicles, from points in Indiana to points in that part of West Virginia on and east of a line beginning at the Ohio-West Virginia State line, thence along U.S. Highway 35 to junction Interstate Highway 64, thence along Interstate Highway 64 to Charleston, thence along Interstate Highway 64/77 to junction U.S. Highway 52, thence along U.S. Highway 52 to the West Virginia-North Carolina State line. The purpose of this filing is to eliminate the gateway of S. Charleston, W. Va.

No. MC–110525 (Sub-No. E229), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals*, in bulk, in tank vehicles, from points in Kentucky to points in Delaware. The purpose of this filing is to eliminate the gateway of S. Charleston, W. Va.

No. MC–114045 (Sub-No. E92), filed May 5, 1974. Applicant: TRANS-COLD EXPRESS, INC., P.O. Box 5842, Dallas, Texas 75222. Applicant's representative: J. B. Stuart (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Frozen pies* and *frozen bakery products*, from Martinsville, Ind., to points in New Mexico, California, Nevada, Arizona, and Utah. The purpose of this filing is to eliminate the gateway of Tulsa, Okla.

No. MC–114045 (Sub-No. E93), filed May 5, 1974. Applicant: TRANS-COLD EXPRESS, INC., P.O. Box 5842, Dallas, Texas 75222. Applicant's representative: J. B. Stuart (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Meats, meat products*, and *meat byproducts*, as described in Section A of Appendix I to the report in *Descriptions in Motor Carrier Certificates*, 61, M.C.C. 209, from Parson, Arkansas City, and Coffeyville, Kans., to points in Massachusetts, Connecticut, Maryland, Rhode Island, New York, New Jersey, Virginia, West Virginia, Delaware, Pennsylvania, and the District of Columbia. The purpose of this filing is to eliminate the gateway of Fort Smith, Ark.

No. MC–114045 (Sub-No. E94), filed May 5, 1974. Applicant: TRANS-COLD EXPRESS, INC., P.O. Box 5842, Dallas, Tex. 75222. Applicant's representative: J. B. Stuart (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Unfrozen food products* (except in bulk, and except meats, meat products, meat byproducts and dairy products), in vehicles equipped with mechanical refrigeration, (1) from points in that part of Indiana on and north of U.S. Highway 30, to points in Texas (except Bowie County), New Mexico, and Arizona; (2) from points in that part of Illinois on and north of a line beginning at Gulfport, thence along U.S. Highway 34 to Galesburg, thence along Interstate Highway 74 to Peoria, thence along Illinois Highway 29 to Sparland, thence along Illinois Highway 17 to Momence, thence along Illinois Highway 114 to the Illinois-Indiana State line (except Chicago), to points in Texas (except points in Bowie County), New Mexico, and Arizona; and (3) from points in Michigan to points in Texas (except points in Bowie County), New Mexico, and Arizona. The purpose of this filing is to eliminate the gateway of Muscatine, Iowa.

No. MC–114045 (Sub-No. E95), filed May 10, 1974. Applicant: TRANS-COLD EXPRESS, INC., P.O. Box 5842, Dallas,

Tex. 75222. Applicant's representative: J. B. Stuart (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Frozen* bakery products, from Marysville, Pa., to points in Colorado, Nevada, and Utah. The purpose of this filing is to eliminate the gateway of Tulsa, Okla.

No. MC–114045 (Sub-No. E96), filed May 10, 1974. Applicant: TRANS-COLD EXPRESS, INC., P.O. Box 5842, Dallas, Tex. 75222. Applicant's representative: J. B. Stuart (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Unfrozen dairy products*, in vehicles equipped with mechanical refrigeration, from the plant site of Kraft Foods Division of National Dairy Products Corporation, at Dallas, Tex., to points in Idaho, Montana, Oregon, Utah, Washington, and Wyoming. The purpose of this filing is to eliminate the gateway of Hutchinson, Kans.

No. MC–114045 (Sub-No. E103), filed May 10, 1974. Applicant: TRANS-COLD EXPRESS, INC., P.O. Box 5842, Dallas, Texas 75222. Applicant's representative: J. B. Stuart (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Frozen bakery goods*, in mechanically refrigerated vehicles, from Pottstown, Morgantown, Downingtown, and Chambersburg, Pa., to points in Missouri, Kansas, Texas, Oklahoma, Arkansas, Kentucky, Arizona, New Mexico, and California. The purpose of this filing is to eliminate the gateway of Saltsburg, Pa.

No. MC–114045 (Sub-No. E104), filed May 10, 1974. Applicant: TRANS-COLD EXPRESS, INC., P.O. Box 5842, Dallas, Texas 75222. Applicant's representative: J. B. Stuart (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Frozen seafood and frozen seafood products*, from New York, N.Y., to New Orleans and Shreveport, La., and Oklahoma City, Okla. The purpose of this filing is to eliminate the gateway of Louisville, Ky.

No. MC–114045 (Sub-No. E105), filed May 10, 1974. Applicant: TRANS-COLD EXPRESS, INC., P.O. Box 5842, Dallas, Texas 75222. Applicant's representative: J. B. Stuart (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Frozen fruits, frozen berries, and frozen vegetables*, from Cleveland, Ohio, to points in California. The purpose of this filing is to eliminate the gateway of points in Oklahoma, Arkansas, or Texas.

No. MC–113362 (Sub-No. E5), filed May 5, 1974. Applicant: ELLSWORTH FREIGHT LINES, INC., 1105½ 8th Ave. NE., Austin, Minn. 55912. Applicant's representative: Milton D. Adams, P.O. Box 562, Austin, Minn. 55912. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Such commodities* as are dealt in by wholesale, retail, and chain grocery stores, from Des Moines, Iowa, to those points in Illinois on, north, and east of a line beginning at the Wisconsin-Illinois State line, thence along Illinois Highway 47 to junction Illinois Highway 17, thence along Illinois Highway 17 to junction U.S. Highway 52, thence along U.S. Highway 52 to junction Illinois Highway 1, thence along Illinois Highway 1 to junction Illinois Highway 74, thence along Illinois Highway 74 to the Illinois-Indiana State line, and to those points in Indiana on and north of U.S. Highway 40. The purpose of this filing is to eliminate the gateway of Chicago, Ill.

No. MC–113362 (Sub-No. E8), filed May 5, 1974. Applicant: ELLSWORTH FREIGHT LINES, INC., 1105½ 8th Ave. NE., Austin, Minn. 55912. Applicant's representative: Milton D. Adams, P.O. Box 562, Austin, Minn. 55912. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Canned goods*, from those points in Minnesota on, west, and south of a line beginning at the Iowa-Minnesota State line, thence along U.S. Highway 169 to junction U.S. Highway 114, thence along U.S. Highway 114 to junction Minnesota Highway 15, thence along Minnesota Highway 15 to junction U.S. Highway 12, thence along U.S. Highway 12 to the Minnesota-South Dakota State line, to Chicago, Ill., and those points in Indiana north of U.S. Highway 40. The purpose of this filing is to eliminate the gateways of Blue Earth and Elmore, Minn., Marshalltown, Iowa, and Chicago, Ill.

No. MC–113362 (Sub-No. E9), filed May 5, 1974. Applicant: ELLSWORTH FREIGHT LINES, INC., 1105½ 8th Ave. NE., Austin, Minn. 55912. Applicant's representative: Milton D. Adams, P.O. Box 562, Austin, Minn. 55912. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Canned goods*, from Fairbault, Le Sueur, Montgomery, Owatonna, and Waseca, Minn., to Chicago, Ill., and those points in Indiana north of U.S. Highway 40. The purpose of this filing is to eliminate the gateways of Marshalltown, Iowa, and Chicago, Ill.

No. MC–113362 (Sub-No. E10), filed May 5, 1974. Applicant: ELLSWORTH FREIGHT LINES, INC., 1105½ 8th Ave. NE., Austin, Minn. 55912. Applicant's representative: Milton D. Adams, P.O. Box 562, Austin, Minn. 55912. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Canned goods*, from Albert Lea, Minn., points in Martin and Fairbault Counties, Minn., and points in Kossuth County, Iowa, to Chicago, Ill., and those points in Indiana north of U.S. Highway 40. The purpose of this filing is to eliminate the gateways of points in Iowa within 15 miles of Elmore, Minn., points in Iowa east of U.S. Highway 69, and Chicago, Ill.

No. MC–113362 (Sub-No. E11), filed May 5, 1974. Applicant: ELLSWORTH FREIGHT LINES, INC., 1105½ 8th Ave. NE., Austin, Minn. 55912. Applicant's representative: Milton D. Adams, P.O. Box 562, Austin, Minn. 55912. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Canned goods*, (A) from Chicago, Ill., and those points in Indiana north of U.S. Highway 40, to (1) those points in Minnesota on and west of a line beginning at the Iowa-Minnesota State line, thence along Interstate Highway 35 to junction U.S. Highway 65, thence along U.S. Highway 65 to junction Minnesota Highway 13, thence along Minnesota Highway 13 to junction Minnesota Highway 21, thence along Minnesota Highway 21 to junction U.S. Highway 169, thence along U.S. Highway 169 to junction Minnesota Highway 101, thence along Minnesota Highway 101 to junction Minnesota Highway 152, thence along Minnesota Highway 152 to St. Cloud, thence along U.S. Highway 10 to junction Minnesota Highway 371, thence along Minnesota Highway 371 to junction U.S. Highway 2, thence along U.S. Highway 2 to junction U.S. Highway 71, thence along U.S. Highway 71 to junction Minnesota Highway 72, thence along Minnesota Highway 72 to Bandette, Minn., (2) those points in Iowa on, north, and west of a line beginning at Sioux City, Iowa, thence along U.S. Highway 20, to junction U.S. Highway 71, thence along U.S. Highway 71 to junction Iowa Highway 7, thence along Iowa Highway 7 to junction Iowa Highway 4, thence along Iowa Highway 4 to junction Iowa Highway 3, thence along Iowa Highway 3 to junction U.S. Highway 169, thence along U.S. Highway 169 to junction U.S. Highway 18, thence along U.S. Highway 18 to junction U.S. Highway 69, thence along U.S. Highway 69 to the Iowa-Minnesota State line, and (3) Humboldt, Iowa, and (B) from Indianapolis and Terre Haute, Ind., to Minneapolis, Minn. The purpose of this filing is to eliminate the gateways of Chicago, Ill., and those points in Iowa within 15 miles of Elmore, Minn.

No. MC–117119 (Sub-No. E6), filed April 30, 1974. Applicant: WILLIS SHAW FROZEN EXPRESS, INC., P.O. Box 188, Elm Springs, Arkansas 72728. Applicant's representative: L. M. McLean (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *food products* (except commodities in bulk, in tank vehicles) in vehicles equipped with mechanical refrigeration, from Athens, Ala., and Bells, Humboldt, and Jackson, Tenn., to points in Kansas (except points in Cherokee, Crawford, Bourbon, Allen, Neosho, Labette, Montgomery, Wilson, Woodson, Chautauque, Elk, Greenwood, Cowley, Butler, and Sumner Counties, Kans.). The purpose of this filing is to eliminate the gateway of California, Mo.

No. MC–117119 (Sub-No. E10), filed April 30, 1974. Applicant: WILLIS SHAW FROZEN EXPRESS, INC., P.O. Box 188,

Elm Springs, Ark. 72728. Applicant's representative: L. M. McLean (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Frozen foods*, in truckloads of 20,000 pounds minimum, from points in Green County, Mo., to New Orleans, La., and points in that part of Oklahoma on and south of Interstate Highway 40, and points in Texas, restricted to the transportation of the quantities indicated, when transported from one consignor to one or more consignees. The purpose of this filing is to eliminate the gateway of Van Buren, Ark.

No. MC–119654 (Sub-No. E1, filed May 12, 1974. Applicant: HI-WAY DISPATCH, INC., 1401 West 26th Street, Marion, Ind. 46952. Applicant's representative: Alki E. Scopelitis, 815 Merchants Bank Building, Indianapolis, Ind. 46204. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (a) *Glass containers, caps, covers and tops therefor*, from Plainfield, Ill., to Covington and Louisville, Ky., (b) *Glass containers and closures therefor*, from Lincoln, Ill., to points in Michigan on, south, and east of Michigan Highway 46. The purpose of this filing is to eliminate the gateway of Marion, Ind.

No. MC–119777 (Sub-No. E11), filed April 9, 1974. Applicant: LIGON SPECIALIZED HAULER, INC., P.O. Drawer L, Madisonville, Ky. 42431. Applicant's representative: Ronald Butler (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Steel sheets, plates, channels, angles crop ends, mine roof washers, pallets and couplings* (of such size and weight as to require special handling), from points in Illinois (except Franklin, Hamilton, White, Williamson, Saline, Gallatin, Union, Johnson, Pope, Hardin, Alexander, Pulaski, and Massac Counties), to points in Alabama, Florida, Georgia, Louisiana, Mississippi, North Carolina, and South Carolina. The purpose of this filing is to eliminate the gateway of Flora or Sparta, Ill.

No. MC–120978 (Sub-No. E1), filed May 10, 1974. Applicant: REINHART MAYER dba MAYER TRUCK LINE, 1203 South Riverside, Jamestown, N. Dak. 58401. Applicant's representative: Gene P. Johnson, 425 Gate City Bldg., Fargo, N. Dak. 58102. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Dry fertilizer*, in bags, from Port Cargill, Minn., to points in North Dakota. The purpose of this filing is to eliminate the gateway of Bloomington, Minn.

No. MC–124078 (Sub-No. E2), filed May 9, 1974. Applicant: SCHWERMAN TRUCKING CO., 611 South 28 Street, Milwaukee, Wisconsin 53246. Applicant's representative: Richard H. Prevette (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Dry cement*, from Atlanta, Ga. (except from the plant site of Martin-Maurietta Cement, Southern Division), to points in Tennessee. The purpose of this filing is to eliminate the gateway of the plant site of the Marquette Cement Manufacturing Company at Rickmart, Ga.

By the Commission.

[SEAL] ROBERT L. OSWALD, *Secretary*.

[FR Doc.74–12551 Filed 5–31–74;8:45 am]

IRREGULAR-ROUTE MOTOR COMMON CARRIERS OF PROPERTY

Elimination of Gateway Applications

MAY 29, 1974.

The following applications to eliminate gateways for the purpose of reducing highway congestion, alleviating air and noise pollution, minimizing safety hazards, and conserving fuel have been filed with the Interstate Commerce Commission under the Commission's Gateway Elimination Rules (49 CFR 1065(d)(2)), and notice thereof to all interested persons is hereby given as provided in such rules.

Carriers having a genuine interest in an application may file an original and three copies of *verified statements* in opposition with the Interstate Commerce Commission on or before July 3, 1974. (This procedure is outlined in the Commission's report and order in *Gateway Elimination*, 119 M.C.C. 530.) A copy of the verified statement in opposition must also be served upon applicant or its named representative. The verified statement should contain all the evidence upon which protestant relies in the application proceeding, including a detailed statement of protestant's interest in the proposal.

No. MC–1782 (Sub-No. 18G), filed April 18, 1974. Applicant: BLUE LINE EXPRESS, INC., 260 D.W. Highway, Nashua, N.H. 03060. Applicant's representative: Earl McCutcheon (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *General commodities* (except those of unusual value, Classes A and B explosives, household goods as defined by the Commission, automobiles, livestock, commodities in bulk, commodities requiring special equipment, and those injurious or contaminating to other lading), from Springfield, Mass., and points in Massachusetts within 15 miles of Springfield, to points in Vermont, Massachusetts, and Connecticut within 75 miles of Albany, N.Y.; and those in that part of New York within 75 miles of said point (except Rock City Falls and Ballston Spa, N.Y., points on and east of U.S. Highway 9 between Glens Falls and Albany, N.Y., on and west of U.S. Highway 4 between East Greenbush and Hudson Falls, N.Y., south of New York Highway 254, between Hudson Falls and Glens Falls, N.Y., and on and north of U.S. Highway 20 between Albany and East Greenbush, N.Y.). The purpose of this filing is to eliminate the gateway of Albany, N.Y.

The following letter-notices of proposals to eliminate gateway for the purpose of reducing highway congestion, alleviating air and noise pollution, minimizing safety hazards, and conserving fuel have been filed with the Interstate Commerce Commission under the Commission's *Gateway Elimination* Rules (49 CFR 1065(a)), and notice thereof to all interested persons is hereby given as provided in such rules.

An original and two copies of protests against the proposed elimination of any gateway herein described may be filed with the Interstate Commerce Commission on or before _____. A copy must also be served upon applicant or its representative. Protests against the elimination of a gateway will *not* operate to stay commencement of the proposed operation.

Successively filed letter-notices of the same carrier under these rules will be numbered consecutively for convenience in identification. Protests, if any, must refer to such letter-notices by number.

No. MC–95540 (Sub-No. E292), filed May 13, 1974. Applicant: WATKINS MOTOR LINES, INC., P.O. Box 1636, Atlanta, Ga. 30301. Applicant's representative: Clyde W. Carver, Suite 212 5299 Roswell Rd. NE., Atlanta, Ga. 30342. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Frozen foods*, from Richmond, Va., to points in Arizona, California, Colorado, Idaho, Montana, New Mexico, Oregon, Utah, Washington, and Nevada. The purpose of this filing is to eliminate the gateway of points in Tennessee (except Memphis and points in its commercial zone).

No. MC–95540 (Sub-No. E295), filed May 15, 1974. Applicant: WATKINS MOTOR LINES, INC., P.O. Box 1636, Atlanta, Ga. 30301. Applicant's representative: Clyde W. Carver, Suite 212 5299 Roswell Rd. NE., Atlanta, Ga. 30342. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Frozen foods*, from Prattsville, N.Y., to points in California. The purpose of this filing is to eliminate the gateway of Chattanooga, Tenn.

No. MC–95540 (Sub-No. E309), filed May 13, 1974. Applicant: WATKINS MOTOR LINES, INC., P.O. Box 1636, Atlanta, Ga. 30301. Applicant's representative: Clyde W. Carver, Suite 212, 5299 Roswell Rd. NE., Atlanta, Ga. 30342. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Frozen foods*, from Tifton, Ga., to points in Washington. The purpose of this filing is to eliminate the gateway of points in Tennessee (except Memphis).

No. MC–95540 (Sub-No. E310), filed May 15, 1974. Applicant: WATKINS MOTOR LINES, INC., P.O. Box 1636, Atlanta, Ga. 30301. Applicant's representative: Clyde W. Carver, Suite 212, 5299 Roswell Rd. NE., Atlanta, Ga. 30342. Authority sought to operate as a *common*

carrier, by motor vehicle, over irregular routes, transporting: *Frozen foods*, from Des Moines, Fort Dodge, and Webster City, Iowa, to points in Virginia on and south of a line beginning at the Virginia-North Carolina State line and U.S. Highway 29, thence along U.S. Highway 29 to Danville, thence along U.S. Highway 58 to South Boston, thence along Virginia Highway 304 to its junction with U.S. Highway 15, thence along U.S. Highway 15 to its junction with U.S. Highway 360, thence along U.S. Highway 360 to the Atlantic Ocean. The purpose of this filing is to eliminate the gateway of Rocky Mount, N.C.

No. MC–95540 (Sub-No. E311), filed May 15, 1974. Applicant: WATKINS MOTOR LINES, INC., P.O. Box 1636, Atlanta, Ga. 30301. Applicant's representative: Clyde W. Carver, Suite 212, 5299 Roswell Rd. NE., Atlanta, Ga. 30342. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Meats, meat products, and meat by-products*, in Appendix to the report in *Modification of Permits—Packinghouse Products*, 48 M.C.C. 628, from Detroit, Mich., to points in California south of a line beginning at the Pacific Ocean and extending easterly along California Highway 1 to its junction with California Highway 12, thence along California Highway 12 through Santa Rosa to its junction with unnumbered highway, thence along unnumbered highway to its junction with California Highway 128, thence along California Highway 128 to its junction with Interstate Highway 80, thence along Interstate 80 to its junction with U.S. Highway 50, thence along U.S. Highway 50 to the California-Nevada State line. The purpose of this filing is to eliminate the gateway of points in Alabama.

No. MC–95540 (Sub-No. E338), filed May 15, 1974. Applicant: WATKINS MOTOR LINES, INC., P.O. Box 1636, Atlanta, Ga. 30301. Applicant's representative: Clyde W. Carver, Suite 212, 5299 Roswell Rd. NE., Atlanta, Ga. 30342. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Frozen foods*, from Milton, Pa., to points in California. The purpose of this filing is to eliminate the gateway of points in Alabama.

No. MC–95540 (Sub-No. E339), filed May 15, 1974. Applicant: WATKINS MOTOR LINES, INC., P.O. Box 1636, Atlanta, Ga. 30301. Applicant's representative: Clyde W. Carver, Suite 212, 5299 Roswell Rd. NE., Atlanta, Ga. 30342. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Frozen, canned preserved or prepared foodstuffs*, from New York, N.Y., to points in New Mexico. The purpose of this filing is to eliminate the gateway of Richmond, Va., and points in Tennessee (except Memphis and points in the commercial zone thereof).

No. MC–100666 (Sub-No. E32), filed May 2, 1974. Applicant: MELTON TRUCK LINES, INC., P.O. Box 7666, Shreveport, La. 71107. Applicant's representative: Richard W. May (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Composition lumber*, from Craig, Okla., to points in West Virginia on and east of U.S. Highway 19 (except Clarksburg and Morgantown). The purpose of this filing is to eliminate the gateway of Urania, La.

No. MC–100666 (Sub-No. E34), filed April 15, 1974. Applicant: MELTON TRUCK LINES, INC., P.O. Box 7666, Shreveport, La. 71107. Applicant's representative: Paul L. Caplinger (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting:

Proposal 1:

(a) *Plywood and particleboard*, from the plant site of the Georgia-Pacific Corporation at or near Taylorsville, Miss., to points in California, Idaho, Montana, Nevada, North Dakota, Oregon, South Dakota, Utah, and Washington; (b) *particleboard*, from the plant site described in proposal 1(a) above to points in Arizona (except points in Cochise, Graham, Greenlee, Pima, Pinal, and Santa Cruz Counties). The purpose of this filing is to eliminate the gateway of Pittsburg, Kansas.

Proposal 2:

Plywood, from the plant site described in proposal 1(a) above to points in Colorado. The purpose of the filing of proposal two is to eliminate the gateway of Duke, Oklahoma.

Proposal 3:

Plywood, from the plant site described in proposal 1(a) above, to points in Arizona. The purpose of the filing of proposal three is to eliminate the gateway of Beaumont, Tex.

Proposal 4:

Particleboard, from the plant site described in proposal 1(a) above, to points in Wyoming. The purpose of this filing is to eliminate the gateway of Paris, Tenn.

Proposal 5:

(A) *Plywood and particleboard*, from the plant site described in proposal 1(a) above, to points in New Mexico, and (b) particleboard from the plant site described in 1(a) above to points in Colorado. The purpose of the filing of proposal 5 is to eliminate the gateway of Craig, Okla.

Proposal 6:

Plywood, from the plant site described in proposal 1(a) above, to points in Pennsylvania. The purpose of filing of proposal six is to eliminate the gateway of Covington, Tenn.

Proposal 7:

Plywood, from the plant site described in proposal 1(a) above, to Memphis, Tenn. The purpose of the filing of proposal 7 is to eliminate the gateway of West Memphis, Ark.

No. MC–100666 (Sub-No. E43), filed April 19, 1974. Applicant: MELTON TRUCK LINES, INC., P.O. Box 7666, Shreveport, La. 71107. Applicant's representative: Paul L. Caplinger (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting:

Proposal 1:

Composition board, from the plant site of U.S. Plywood-Champion Papers, Inc., near Oxford, Miss., to points in Arizona, California, Colorado, Idaho, Minnesota, Montana, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Utah, and Washington. The purpose of the filing of proposal 1 is to eliminate the gateway of Pittsburg, Kans.

Proposal 2:

Composition board, from the plant site described in proposal 1 above, to points in Colorado and New Mexico. The purpose of the filing of proposal 2 is to eliminate the gateway of Craig, Okla.

Proposal 3:

Wallboard, fiberboard, particleboard, roofing, insulating, sheathing, and gypsum plaster products, from the plant site described in proposal 1, to points in Illinois, Indiana, Kentucky, Missouri, and Wyoming, and points in Florida on and east of a line beginning at the junction of the Florida-Georgia State line and U.S. Highway 129, thence along U.S. Highway 129 to the junction of U.S. Highway 129 and Florida Highway 345, thence along Florida Highway 345 to the Gulf of Mexico, and points in Shelby County, Tenn. The purpose of the filing of proposal 3 is to eliminate the gateway of West Memphis, Ark.

Proposal 4:

The *commodities* described in proposal 3 above, from the plant site described in proposal 1 to points in Wyoming. The purpose of the filing of proposal 4 is to eliminate the gateways of West Memphis, Ark., and Paris, Tenn.

No. MC–110525 (Sub-No. E146), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* as defined in *The Maxwell Co., Extension—Addyston*, 63 M.C.C. 677 (except bituminous products and materials), in bulk, in tank vehicles, from the District of Columbia to points in Washington. The purpose of this filing is to eliminate the gateways of Morgantown and Natrium, W. Va., and Addyston, Ohio.

No. MC–110525 (Sub-No. E147), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* as defined in *The Maxwell Co., Extension—Addyston*, 63 M.C.C. 677, in bulk, in tank vehicles, from the District of Columbia to points in Wisconsin. The purpose of this filing is to eliminate the gateway of points in Allegheny County, Pa.

No. MC–110525 (Sub. No. E152), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to

operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* as defined in *The Maxwell Co., Extension—Addyston*, 63 M.C.C. 677, in bulk, in tank vehicles, from points in Florida to points in Maine. The purpose of this filing is to eliminate the gateways of Institute, W. Va., and Syracuse, N.Y.

No. MC–110525 (Sub-No. E153), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* as defined in *The Maxwell Co., Extension—Addyston*, 63 M.C.C. 677, in bulk, in tank vehicles, from points in Florida to those points in Maryland on and west of Interstate Highway 81. The purpose of this filing is to eliminate the gateway of Institute, W. Va.

No. MC–110525 (Sub-No. E154), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* as defined in *The Maxwell Co., Extension—Addyston*, 63 M.C.C. 677, in bulk, in tank vehicles, from points in Florida to points in Massachusetts. The purpose of this filing is to eliminate the gateways of Institute, W. Va., and Newark, N.J.

No. MC–110525 (Sub-No. E155), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* as defined in *The Maxwell Co., Extension—Addyston*, 63 M.C.C. 677, in bulk, in tank vehicles, from points in Florida to points in Michigan. The purpose of this filing is to eliminate the gateway of Institute, W. Va.

No. MC–110525 (Sub-No. E156), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* as defined in *The Maxwell Co., Extension—Addyston*, 63 MCC 677, in bulk, in tank vehicles, from those points in Florida on and east of U.S. Highway 319 to points in Montana. The purpose of this filing is to eliminate the gateways of Institute, W. Va., and Addyston, Ohio.

No. MC–110525 (Sub-No. E157), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* as defined in *The Maxwell Co., Extension—Addyston*, 62 MCC 677, in bulk, in tank vehicles, from those points in Florida on and east of Florida Highway 121 to points in Nebraska. The purpose of this filing is to eliminate the gateway of Institute, W. Va.

No. MC–110525 (Sub-No. E158), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* as defined in *The Maxwell Co., Extension—Addyston*, 63 M.C.C. 677, in bulk, in tank vehicles, from those points in Florida on and east of a line beginning at the Florida-Georgia State line, thence along U.S. Highway 221 to junction Florida Highway 361, thence along Florida Highway 361 to Piney Pt., Fla., to points in Nevada. The purpose of this filing is to eliminate the gateways of Institute, W. Va., and Addyston, Ohio.

No. MC–110525 (Sub-No. E159), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downington, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* as defined in *The Maxwell Co., Extension—Addyston*, 63 M.C.C. 677, in bulk, in tank vehicles, from points in Florida to points in New Hampshire. The purpose of this filing is to eliminate the gateways of Institute, W. Va., and Syracuse, N.Y.

No. MC–110525 (Sub-No. E160), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* as defined in *The Maxwell Co., Extension—Addyston*, 63 M.C.C. 677, in bulk, in tank vehicles, from those points in Florida on and west of a line beginning at the Florida-Georgia State line, thence along U.S. Highway 221 to junction Florida Highway 361, thence along Florida Highway 361 to Piney Pt., Fla., to points in New Jersey. The purpose of this filing is to eliminate the gateway of Institute, W. Va.

No. MC–110525 (Sub-No. E161), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 19335, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals*, in bulk in tank vehicles, from the District of Columbia to points in California. The purpose of this filing is to eliminate the gateways of Pittsburgh, Pa., and Addyston, Ohio.

No. MC–110525 (Sub-No. E162), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid Chemicals* as defined in *The Maxwell Co., Extension—Addyston*, 63 M.C.C. 677, in bulk, in tank vehicles, from points in Florida to those points in New York on and north of Interstate Highway 84. The purpose of this filing is to eliminate the gateway of Institute, W. Va.

No. MC–110525 (Sub-No. E163), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* as defined in *The Maxwell Co., Extension—Addyston*, 63 M.C.C. 677, in bulk, in tank vehicles, from those points in Florida on and east of U.S. Highway 231 to points in North Dakota. The purpose of this filing is to eliminate the gateways of Institute, W. Va., and Addyston, Ohio.

No. MC–110525 (Sub-No. E164), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicles, over irregular routes, transporting: *Liquid chemicals* as defined in *The Maxwell Co., Extension—Addyston*, 63 M.C.C. 677, in bulk, in tank vehicles, from those points in Florida on and east of a line beginning at the Florida-Georgia State line, thence along U.S. Highway 441 to Gainsville, thence along Florida Highway 121 to Lebanon Station, Fla., to points in Ohio. The purpose of this filing is to eliminate the gateway of Institute, W. Va.

No. MC–110525 (Sub-No. E165), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid Chemicals* as defined in *The Maxwell Co., Extension—Addyston*, 63 M.C.C. 677, in bulk, in tank vehicles, from those points in Florida east of U.S. Highway 319 to points in Oregon. The purpose of this filing is to eliminate the gateway of Institute, W. Va., and Addyston, Ohio.

No. MC–110525 (Sub-No. E167), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting:

Liquid chemicals as defined in *The Maxwell Co., Extension—Addyston*, 63 M.C.C. 677, in bulk, in tank vehicles, from those points in Florida on and east of U.S. Highway 319, to points in South Dakota. The purpose of this filing is to eliminate the gateways of Institute, W. Va., and Addyston, Ohio.

No. MC–110525 (Sub-No. E169), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* as defined in *The Maxwell Co., Extension—Addyston*, 63 M.C.C. 677 (except liquid hydrogen, liquid oxygen, and liquid nitrogen), in bulk, in tank vehicles, from points in Florida to points in Vermont. The purpose of this filing is to eliminate the gateways of Institute, W. Va., and Syracuse, N.Y.

No. MC–110525 (Sub-No. E170), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Dowingtown, Pa. 19335 Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* as defined in *The Maxwell Co., Extension—Addyston*, 63 MCC 677, in bulk, in tank vehicles from points in Florida to points in Washington. The purpose of this filing is to eliminate the gateways of Institute, W. Va., and Addyston, Ohio.

No. MC–110525 (Sub-No. E172), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Dowingtown, Pa. 19335 Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* as defined in *The Maxwell Co., Extension—Addyston*, 63 MCC 677, in bulk, in tank vehicles, from those points in Florida on and east of U.S. Highway 319 to points in Wisconsin. The purpose of this filing is to eliminate the gateway of S. Charleston, W. Va.

No. MC–110525 (Sub-No. E174), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* as defined in *The Maxwell Co., Extension—Addyston*, 63 M.C.C. 677 (except liquefied petroleum gases, hydrofluosilic acid, such naval stores as are chemicals, crude tall oil, sulphate, black liquor skimmings, liquid alum, and bituminous products and materials), in bulk, in tank vehicles, from points in Georgia to points in Arizona. The purpose of this filing is to eliminate the gateways of Atlanta, Ga., and points in Harris or Jefferson Counties, Texas.

No. MC–110525 (Sub-No. E175), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* as defined in *The Maxwell Co., Extension—Addyston*, 63 M.C.C. 677 (except liquefied petroleum gases, hydrofluosilic acid, such naval stores as are chemicals, crude tall oil, sulphate, black liquor skimmings, liquid alum, and bituminous products and materials), in bulk, in tank vehicles, from points in Georgia to points in California. The purpose of this filing is to eliminate the gateways of Atlanta, Ga., and points in Harris or Jefferson Counties, Texas.

No. MC–110525 (Sub-No. E176), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* (except bituminous products and materials), in bulk, in tank vehicles, from points in Georgia to points in Colorado. The purpose of this filing is to eliminate the gateways of Copperhill, Tenn., and Addyston, Ohio.

No. MC–110525 (Sub-No. E177), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* (except bituminous products and materials), in bulk, in tank vehicles, from points in Georgia to points in Connecticut. The purpose of this filing is to eliminate the gateways of Greensboro, N.C., and Fort Lee, N.J.

No. MC–110525 (Sub-No. E230), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals*, in bulk, in tank vehicles, from points in Kentucky to the District of Columbia. The purpose of this filing is to eliminate the gateway of S. Charleston, W. Va.

No. MC–110525 (Sub-No. E231), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals*, in bulk, in tank vehicles, from points in Kentucky to points in Maine. The purpose of this filing is to eliminate the gateways of S. Charleston, W. Va., and Syracuse, N.Y.

No. MC–110525 (Sub-No. E–236), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals*, in bulk, in tank vehicles, from points in Kentucky to points in New Hampshire. The purpose of this filing is to eliminate the gateways of S. Charleston, W. Va., and Syracuse, N.Y.

No. MC–110525 (Sub-No. E235), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 19335, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals*, in bulk, in tank vehicles, from points in that part of Kentucky on and east of Interstate Highway 75, to points in Nevada. The purpose of this filing is to eliminate the gateways of S. Charleston, W. Va., and Addyston, Ohio.

No. MC–110525 (Sub-No. E354), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 19335, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals*, in bulk, in tank vehicles, from points in that part of Kentucky on and east of Interstate Highway 75 to points in Montana. The purpose of this filing is to eliminate the gateways of S. Charleston, W. Va., and Addyston, Ohio.

No. MC–110525 (Sub-No. E261), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 19335, Downingtown, Pa. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* as defined in *The Maxwell Co., Extension—Addyston*, 63 M.C.C. 677, in bulk, in tank vehicles, from points in that part of Louisiana on and east of a line beginning at the Mississippi-Louisiana State line, thence along U.S. Highway 61 to Baton Rouge, thence along Louisiana Highway 1 to the Gulf of Mexico, to those points in that part of Virginia on and north of a line beginning at the West Virginia-Virginia State line, thence along U.S. Highway 250 to Richmond, thence along Interstate Highway 64 to Norfolk, Va. The purpose of this filing is to eliminate the gateway of S. Charleston, W. Va.

No. MC–110525 (Sub-No. E262), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 19335, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* (except bituminous products and materials, hydrofluosilic acid, such naval stores as are chemicals, crude tall oil, sulphate, black liquor skimmings, and liquid alum), in bulk, in tank

vehicles, from points in Maryland, to points in Alabama. The purpose of this filing is to eliminate the gateways of Greensboro, N.C., and Atlanta, Ga.

No. MC–110525 (Sub-No. E263), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 19335, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals*, in bulk, in tank vehicles, from points in Maryland to points in Arizona. The purpose of this filing is to eliminate the gateways of S. Charleston, W. Va., and Addyston, Ohio.

No. MC–110525 (Sub-No. E264), filed May 8, 1974. Applicant: CHEMICAL LEAMAN TANK LINES, INC., P.O. Box 200, Downingtown, Pa. 19335. Applicant's representative: Thomas J. O'Brien (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals* as defined in *The Maxwell Co., Extension—Addyston*, 63 M.C.C. 677, in bulk, in tank vehicles, from points in Maryland to points in Arkansas. The purpose of this filing is to eliminate the gateway of S. Charleston, W. Va.

No. MC–111729 (Sub-No. E4), filed May 3, 1974. Applicant: PUROLATOR COURIER CORP., 2 Nevada Drive, Lake Success, N.Y. 11040. Applicant's representative: Peter L. Badanes (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Business papers*, and *records*, used in the preparation of punch cards, and *other business papers and records* involving information obtained from punch cards or pertaining to the use thereof (except cash letters), between Lewiston, Me., and Danbury, Conn. The purpose of this filing is to eliminate the gateways of points in Cambridge, Mass., within the Boston, Mass., commercial zone as defined by the Commission, and Providence, R.I.

No. MC–111729 (Sub-No. E5), filed May 3, 1974. Applicant: PUROLATOR COURIER CORP., 2 Nevada Drive, Lake Success, NY 11040. Applicant's representative: Peter L. Badanes (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Business papers, records, and accounting media*, between Lexington, Ky., and Highland Park, Mich. The purpose of this filing is to eliminate the gateway of Cincinnati, Ohio.

No. MC–111729 (Sub-No. E6), filed May 3, 1974. Applicant: PUROLATOR COURIER CORP., 2 Nevada Drive, Lake Success, NY 11040. Applicant's representative: Peter L. Badanes (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Business papers, business records, and audit and accounting media* (except cash letters), between Lewiston, Maine, and Wayne, N.J. The purpose of this filing is to eliminate the gateway of Cambridge, Mass.

No. MC–111729 (Sub-No. E7), filed May 6, 1974. Applicant: PUROLATOR COURIER CORP., 2 Nevada Drive, Lake Success, NY 11040. Applicant's representative: Peter L. Badanes (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Audit media* and *other business records*, between Milwaukee, Wis., and Columbus, Ohio. The purpose of this filing is to eliminate the gateway of Chicago, Ill.

No. MC–111729 (Sub-No. E8), filed May 6, 1974. Applicant: PUROLATOR COURIER CORP., 2 Nevada Drive, Lake Success, NY 11040. Applicant's representative: Peter L. Badanes (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: Exposed and processed film and prints, complimentary replacement film, incidental dealer handling supplies and advertising literature moving therewith (except motion picture film used primarily for commercial theatre and television exhibition), between Chamblee, Ga., and New Orleans, La. The purpose of this filing is to eliminate the gateway of Mobile, Ala.

No. MC–111729 (Sub-No. E9), filed May 6, 1974. Applicant: PUROLATOR COURIER CORP., 2 Nevada Drive, Lake Success, N.Y. 11040. Applicant's representative: Peter L. Badanes (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Business papers, business records*, and *audit and accounting media* (except cash letters) between Atlanta, Ga., and New Orleans, La., restricted against the transportation of shipments having a prior or subsequent movement by air. The purpose of this filing is to eliminate the gateway of Mobile, Ala.

No. MC–111729 (Sub-No. E10), filed May 6, 1974. Applicant: PUROLATOR COURIER CORP., 2 Nevada Drive, Lake Success, N.Y. 11040. Applicant's representative: Peter L. Badanes (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Business papers* and *records* used in the preparation of used punch cards, and *other business papers* and *records* involving information obtained from punch cards or pertaining to the use thereof (except cash letters), between Boston, Mass., and Camillus, N.Y. The purpose of this filing is to eliminate the gateway of Providence, R.I.

No. MC–111729 (Sub-No. E12), filed May 8, 1974. Applicant: PUROLATOR COURIER CORP., 2 Nevada Drive, Lake Success, N.Y. 11040. Applicant's representative: Peter L. Badanes (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Business records* (except cash letters), between Flint, Mich., and Philippi, W. Va. The purpose of this filing is to eliminate the gateways of Toledo, Ohio, and Pittsburgh, Pa.

No. MC–111729 (Sub-No. E13), filed May 8, 1974. Applicant: PUROLATOR COURIER CORP., 2 Nevada Drive, Lake Success, N.Y. 11040. Applicant's representative: Peter L. Badanes (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Business papers* and *records* used in the preparation of used punch cards, and *other business papers* and *records* containing information obtained from punch cards or pertaining to the use thereof (except cash letters), between Skokie, Ill., and Versailles, Ky. The purpose of this filing is to eliminate the gateway of Cincinnati, Ohio.

No. MC–114019 (Sub-No. E24), filed May 1, 1974. Applicant: MIDWEST EMERY FREIGHT SYSTEM, INC., 7000 South Pulaski Road, Chicago, Ill. 60629. Applicant's representative: Arthur J. Sibik (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Prepared foods* (other than frozen foods), from points in that part of Wisconsin on and south of a line beginning at U.S. Highway 18 near Lake Michigan and extending west to the junction of U.S. Highway 18 and U.S. Highway 45, thence south on U.S. Highway 45 to the Wisconsin-Illinois State line, to points in Nebraska on and east of U.S. Highway 83 beginning at the Kansas-Nebraska State line and extending to North Platte, and thence on and south of U.S. Highway 30 extending from North Platte to the Missouri River, and points in that part of Kansas on and east of U.S. Highway 281, and points in Missouri on and west of U.S. Highway 65, and points in that part of Iowa on and west of U.S. Highway 65 extending from Lineville to Iowa Falls, and thence south and west along U.S. Highway 20 to Sioux City. The authority described above is restricted to the transportation of shipments moving from, to, or between warehouses, and wholesale, retail, or chain outlets of food business houses, or when moving from, to, or between food processing plants, or warehouses or other facilities of such plants. The purpose of this filing is to eliminate the gateway of Chicago, Ill.

No. MC–114019 (Sub-No. E26), filed May 1, 1974. Applicant: MIDWEST EMERY FREIGHT SYSTEM, INC., 7000 South Pulaski Rd., Chicago, Ill. 60629. Applicant's representative: Arthur J. Sibik (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Packinghouse products and by-products, and packinghouse supplies*, (a) between points in Wisconsin on and east of U.S. Highway 45, on the one hand, and, on the other, Kansas City and Wichita, Kans., Kansas City, St. Joseph, South St. Joseph, and St. Louis, Mo., and Omaha and South Omaha, Nebr., (b) from points in Wisconsin and Iowa, to Cleveland, Ohio, and Buffalo, N.Y., (c) between points in Wisconsin and Iowa on the one hand, and, on

the other, points in that part of Pennsylvania on and south of U.S. Highway 22 from the Ohio-Pennsylvania State line to Nanty Glo, and on and west of U.S. Highway 219 from Nanty Glo to the Pennsylvania-Maryland State line, points in that part of New Jersey on and south of New Jersey Highway 6 from Fort Lee to Singac and on and east of New Jersey Highway 23 from Singac to Newark, points in those parts of New York, Connecticut, and Rhode Island on U.S. Highway 1 in each state, and points in that part of Massachusetts on and east of U.S. Highway 5 from the Connecticut-Massachusetts State line to Northampton, and on and south of Massachusetts Highway 9 from Northampton to Boston.

(2) *Meats, meat products, and meat by-products,* as described in Section A of the appendix to *Modification of Permits—Packinghouse Products,* 46 M.C.C. 23, from points in Wisconsin and Iowa, to Philadelphia, Pa., Wilmington, Del., Baltimore, Md., Washington, D.C., and points in New York, except Buffalo, points on U.S. Highway 6 and those on and north of a line extending from Oswego, N.Y., along U.S. Highway 104 to junction New York Highway 69, thence along New York Highway 69 to Utica, N.Y., thence along New York Highway 5 to Schenectady, N.Y., and thence along New York Highway 7 to the New York-Vermont State line.

(3) *Meats, meat products, and meat by-products, and articles* distributed by meat Packinghouses, as described in Sections A and C of Appendix I to the report in *Descriptions in Motor Carrier Certificates,* 61 M.C.C. 209 and 766 (except hides and commodities in bulk), from points in Wisconsin and Iowa to points in Connecticut, Delaware, Maine, Maryland (except points on and west of U.S. Highway 15), Massachusetts, New Hampshire, Rhode Island, Vermont, Virginia, and the District of Columbia.

The authority described in (1), (2), and (3) above is restricted to the transportation of the commodities described therein to shipments moving from, to, or between warehouses, and wholesale, retail, or chain outlets of food business houses, or when moving from, to, or between food processing plants, or warehouses or other facilities of such plants. The purpose of this filing is to eliminate the gateways of Chicago, Ill., and Pittsburgh, Pa.

No. MC–114019 (Sub-No. E29), filed May 2, 1974. Applicant: MIDWEST EMERY FREIGHT SYSTEM, INC., 7000 South Pulaski Road, Chicago, Ill. 60629. Applicant's representative: Arthur J. Sibik (same as above). Authority sought to operate as a *common carrier,* by motor vehicle, over irregular routes, transporting: *Frozen meats,* and *meats and meat products,* not—frozen, when transported in the same vehicle with frozen foods, in vehicles equipped with mechanical refrigeration, from Chicago, Ill., to points in Minnesota, North Dakota, South Dakota, Nebraska, Kansas, and points in that part of Missouri on and west of Missouri Highway 13, from the Iowa-Missouri State line to its junction with U.S. Highway 65, thence along U.S. Highway 65 to the Missouri-Arkansas State line and points in Arkansas on, west and south of U.S. Highway 65 from the Missouri-Arkansas State line to its junction with Interstate 40, thence along Interstate Highway 40 to the Arkansas-Tennessee State line. The purpose of this filing is to eliminate the gateway of Fort Atkinson, Wis.

No. MC–114019 (Sub-No. E38), filed May 2, 1974. Applicant: MIDWEST EMERY FREIGHT SYSTEM, INC., 7000 South Pulaska Road, Chicago, Ill. 60629. Applicant's representative: Arthur J. Sibik (same as above). Authority sought to operate as a *common carrier,* by motor vehicle, over irregular routes, transporting: *Salt,* from points in New York and Pennsylvania, and points in New Jersey in the New York, N.Y., and Philadelphia, Pa., commercial zones as defined by the Commission, to points in Kentucky on and west of Interstate Highway 65, points in Michigan, and St. Louis, Mo. The purpose of this filing is to eliminate the gateway of Fairport, Ohio.

No. MC–114019 (Sub-No. E40), filed May 2, 1974. Applicant: MIDWEST EMERY FREIGHT SYSTEM, INC., 7000 South Pulaski Road, Chicago, Ill. 60629. Applicant's representative: Arthur J. Sibik (same as above). Authority sought to operate as a *common carrier,* by motor vehicle, over irregular routes, transporting: *Canned goods,* from points in Iowa on and west of U.S. Highway 169, from the Iowa-Minnesota State line to Ft. Dodge and on and south of U.S. Highway 20 from Ft. Dodge to the Iowa-Illinois State line, to Milwaukee, Wis., restricted to the transportation of shipments moving from, to, or between warehouses, and wholesale, retail, or chain outlets of food business houses, or when moving from, to, or between food processing plants, or warehouses or other facilities of such plants. The purpose of this filing is to eliminate the gateway of Chicago, Ill.

No. MC–114019 (Sub-No. E41), filed May 3, 1974. Applicant: MIDWEST EMERY FREIGHT SYSTEM, INC., 7000 South Pulaski Road, Chicago, Ill. 60629. Applicant's representative: Arthur J. Sibik (same as above). Authority sought to operate as a *common carrier,* by motor vehicle, over irregular routes, transporting: *Liquid edible coating compounds,* in bulk, in tank vehicles, from points in New York, Pennsylvania, Ohio, and points in New Jersey in the New York, N.Y., and Philadelphia, Pa., commercial zones as defined by the Commission, and those points in that part of Indiana on and east of U.S. Highway 31, from the Indiana-Kentucky State line to its junction with U.S. Highway 24, and those on and south of U.S. Highway 24 from its junction with U.S. Highway 31 to the Indiana-Ohio State line, to Denver, Colorado. The purpose of this filing is to eliminate the gateway of Cincinnati, Ohio.

No. MC–114019 (Sub-No. E42), filed May 3, 1974. Applicant: MIDWEST EMERY FREIGHT SYSTEM, INC., 7000 South Pulaski Road, Chicago, Ill. 60629. Applicant's representative: Arthur J. Sibik (same as above). Authority sought to operate as a *common carrier,* by motor vehicle, over irregular routes, transporting: *Frozen foods, and foods not frozen,* when transported in the same vehicle with frozen foods, in vehicles equipped with mechanical refrigeration, (a) from points in Illinois, to points in Maine, New Hampshire, Vermont, Massachusetts, Connecticut, and Rhode Island, (b) from points in Illinois on and north of U.S. Highway 36 to points in New Jersey, Delaware, Maryland, and the District of Columbia, (c) from points in McHenry, Lake, Kane, Cook, DuPage, and Will Counties, Ill., to points in North Dakota, South Dakota, Nebraska, and Iowa, (d) from points in Ohio on and east of a line beginning at the junction of the Ohio-Kentucky State line and U.S. Highway 23, thence north along U.S. Highway 23 to the junction of U.S. Highway 23 and U.S. Highway 25, thence along U.S. Highway 25 to the Ohio-Michigan State line, points in Pennsylvania and New York and those points in New Jersey in the New York, N.Y., and Philadelphia, Pa., commercial zones as defined by the Commission, to points in North Dakota, South Dakota, Nebraska, and Iowa. The purpose of this filing is to eliminate the gateway of Chicago, Ill.

No. MC–114019 (Sub-No. E43), filed May 3, 1974. Applicant: MIDWEST EMERY FREIGHT SYSTEM, INC., 7000 South Pulaski Road, Chicago, Ill. 60629. Applicant's representative: Arthur J. Sibik (same as above). Authority sought to operate as a *common carrier,* by motor vehicle, over irregular routes, transporting: *Candy,* when transported in the same vehicle with frozen foods, in vehicles equipped with mechanical refrigeration, from points in New York, Pennsylvania, West Virginia, Baltimore, and Sparrows Point, Md., and points in New Jersey, Connecticut, Delaware and Maryland, which are within 30 miles of New York, N.Y., Philadelphia, Pa., and points in Ohio on and east of U.S. Highway 23 to points in Michigan, restricted to the transportation of shipments moving from, to, or between warehouses, and other facilities of food business houses. The purpose of this filing is to eliminate the gateway of Toledo, Ohio.

No. MC–114019 (Sub-No. E44), filed May 3, 1974. Applicant: MIDWEST EMERY FREIGHT SYSTEM, INC., 7000 South Pulaski Road, Chicago, Ill. 60629. Applicant's representative: Arthur J. Sibik (same as above). Authority sought to operate as a *common carrier,* by motor vehicle, over irregular routes, transporting: *Canned and preserved foodstuffs,* (a) from Rochelle, Rockford, DeKalb, Sycamore, Aurora, and Belvidere, Ill., to Racine, Waukesha, Beloit, and Union Grove, Wis.; (b) from points in Ohio, Indiana, Pennsylvania, New York, and points in New Jersey in the New York, N.Y., and Philadelphia, Pa.,

commercial zones, as defined by the Commission, to Racine, Wis., and that part of Wisconsin on and bounded by a line beginning at the Illinois-Wisconsin State line and extending along Wisconsin Highway 69 to Madison, thence along U.S. Highway 12 to Prairie du Sac, thence along Wisconsin Highway 60 to junction U.S. Highway 45, thence along U.S. Highway 45 to the Wisconsin-Illinois State line, thence along the Wisconsin-Illinois State line to point of beginning. The purpose of this filing is to eliminate all gateway points in Illinois.

No. MC–113019 (Sub-No. E45), filed May 3, 1974. Applicant: MIDWEST EMERY FREIGHT SYSTEM, INC., 7000 South Pulaski Road, Chicago, Ill. 60629. Applicant's representative: Arthur J. Sibik (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid and invert sugar*, and *blends of corn syrup and liquid or invert sugar*, all in bulk, in tank vehicles, from points in New York, Pennsylvania, those in New Jersey within the New York, N.Y., and Philadelphia, Pa., commercial zones as defined by the Commission, and those in Ohio lying on and east of U.S. Highway 23 to points in Michigan. The purpose of this filing is to eliminate the gateway of Toledo, Ohio.

No. MC–114045 (Sub-No. E88), filed May 10, 1974. Applicant: TRANS-COLD EXPRESS, INC., P.O. Box 5842, Dallas, Texas 75222. Applicant's representative: J. B. Stuart (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Fresh meats* (except hides and commodities in bulk), in vehicles equipped with mechanical refrigeration, from Lubbock, Tex., and the site of the plant of Texas Meat Packers, Inc., located at Dallas, Tex., to points in Ohio and the Lower Peninsula of Michigan. The purpose of this filing is to eliminate the gateway of Lexington, Ky.

No. MC–114045 (Sub-No. E89), filed May 5, 1974. Applicant: TRANS-COLD EXPRESS, INC., P.O. Box 5842, Dallas, Texas 75222. Applicant's representative: J. B. Stuart (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Frozen fruits, frozen berries*, and *frozen vegetables*, from Brunswick, Maine, to points in California and Colorado. The purpose of this filing is to eliminate the gateway of points in Arkansas, Oklahoma, or Texas.

No. MC–114045 (Sub-No. E90), filed May 10, 1974. Applicant: TRANS-COLD EXPRESS, INC., P.O. Box 5842, Dallas, Texas 75222. Applicant's representative: J. B. Stuart (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Meats, meat products*, and *meat byproducts*, as described in Section A of Appendix I to the report in Descriptions in Motor Carrier Certificates, 61 M.C.C. 209, from San Angelo, Tex., to points in Ohio and the Lower Peninsula of Michigan. The purpose of this filing is to eliminate the gateway of Lexington, Ky.

No. MC–114045 (Sub-No. E91), filed May 5, 1974. Applicant: TRANS-COLD EXPRESS, INC., P.O. Box 5842, Dallas, Texas 75222. Applicant's representative: J. B. Stuart (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Frozen pies* and *frozen bakery products*, from Brunswick, Maine, to points in Arizona, California, Colorado, New Mexico, Nevada, Oregon, Utah, and Washington. The purpose of this filing is to eliminate the gateway of Tulsa, Okla.

No. MC–117119 (Sub-No. E11), filed April 30, 1974. Applicant: WILLIS SHAW FROZEN EXPRESS, INC., P.O. Box 188, Elm Springs, Arkansas 72728. Applicant's representative: L. M. McLean (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Frozen foods* from points in Minnesota to points in New York, Pennsylvania, New Jersey, Connecticut, Massachusetts, Delaware, the District of Columbia, and points in that part of West Virginia on and east of U.S. Highway 219. The purpose of this filing is to eliminate the gateway of Quincy, Ill.

No. MC–117119 (Sub-No. E12), filed April 30, 1974. Applicant: WILLIS SHAW FROZEN EXPRESS, INC., P.O. Box 188, Elm Springs, Arkansas 72728. Applicant's representative: L. M. McLean (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Frozen foods*, from points in that part of Minnesota on, south, and west of a line beginning at the Minnesota-South Dakota State line and extending along U.S. Highway 12 to the junction of Interstate Highway 35, thence south along Interstate Highway 35 to the Minnesota-Iowa State line, to points in Florida, Georgia, North Carolina, Virginia, and Kentucky (except Boone, Kenton, Campbell, Bracken, Mason, Robertson, Pendleton, Grant, Lewis, Fleming, and Trimble Counties, Ky.). The purpose of this filing is to eliminate the gateway of Moberly, Mo.

No. MC–117119 (Sub-No. E13), filed April 30, 1974. Applicant: WILLIS SHAW FROZEN EXPRESS, INC., P.O. Box 188, Elm Springs, Arkansas 72728. Applicant's representative: L. M. McLean (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Frozen foods*, from points in Minnesota on and east of a line beginning at the Minnesota-Iowa State line and extending north along U.S. Highway 169 to junction of Minnesota Highway 23, thence along Minnesota Highway 23 to Duluth, to points in Arizona, California, Nevada, New Mexico, and Colorado (except points in Sedgwick, Phillips, Yuma, Washington, Logan, Weld, Morgan, Adams, and Arapahoe Counties, Colo.). The purpose of this filing is to eliminate the gateway of St. Joseph, Mo.

No. MC–117119 (Sub-No. E26), filed May 9, 1974. Applicant: WILLIS SHAW FROZEN EXPRESS, INC., P.O. Box 188, Elm Springs, Ark. 72728. Applicant's representative: L. M. McLean (same as above). Authority sought to operate as *a common carrier*, by motor vehicle, over irregular routes, transporting: *Frozen foods*, from Salt Lake City, Ogden, and Provo, Utah, to points in that part of Ohio on, south, and east of a line beginning at the Indiana-Ohio State line and extending eastward along Ohio Highway 47 to junction of Ohio Highway 4, thence north along Ohio Highway 4 to junction of Ohio Highway 95, thence along Ohio Highway 95 to junction of U.S. Highway 42, thence along U.S. Highway 42 to the junction of Ohio Highway 58, thence north along U.S. Highway 58 to Lake Erie, and points in West Virginia, Pennsylvania, New York, New Jersey, Connecticut, Rhode Island, Massachusetts, Vermont, New Hampshire, Maine, Maryland, and Virginia. The purpose of this filing is to eliminate the gateway of Fayetteville, Ark.

No. MC–117119 (Sub-No. E27), filed May 9, 1974. Applicant: WILLIS SHAW FROZEN EXPRESS, INC., P.O. Box 188, Elm Springs, Ark. 72728. Applicant's representative: L. M. McLean (same as above). Authority sought to operate as *a common carrier*, by motor vehicle, over irregular routes, transporting: *Canned goods*, in mixed loads with frozen foods or exempt agricultural commodities, from points in California (except points in Modoc, Lassen, and Plumas Counties, Calif.), to points in Connecticut, Florida, Georgia, Indiana, Kentucky, Maine, Massachusetts, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, Virginia, and West Virginia, and points in that part of the Lower Peninsula of Michigan, on and south of Michigan Highway 55. The purpose of this filing is to eliminate the gateway of Fort Smith, Ark.

No. MC–117119 (Sub-No. E28), filed May 9, 1974. Applicant: WILLIS SHAW FROZEN EXPRESS, INC., P.O. Box 188, Elm Springs, Ark. 72728. Applicant's representative: L. M. McLean (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Frozen foods* (except frozen meats), from points in Nebraska (except West Point, Millard, and Omaha, Nebr., and except points in Cedar, Dixon, Wayne, Dakota, Stanton, Cuming, and Burt Counties), to points in Delaware, New Jersey, New York, Maryland, Pennsylvania (except points in Erie, Venango, Crawford, and Mercer Counties, Pa.), and the District of Columbia. The purpose of this filing is to eliminate the gateway of Kansas City, Mo.

No. MC–117119 (Sub-No. E29), filed May 9, 1974. Applicant: WILLIS SHAW FROZEN EXPRESS, INC., P.O. Box 188, Elm Springs, Ark. 72728. Applicant's

representative: L. M. McLean (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Frozen fruits, frozen berries, and frozen vegetables*, from points in Texas (except points in Tyler, Jaspar, Newton, Hardin, Orange, Jefferson, Chambers, Harris, Galveston, Fort Bend, and Liberty Counties, Tex.), to points in North Carolina and South Carolina. The purpose of this filing is to eliminate the gateway of Hoxie, Ark.

No. MC–117119 (Sub-No. E30), filed May 9, 1974. Applicant: WILLIS SHAW FROZEN EXPRESS, INC., P.O. Box 188, Elm Springs, Ark. 72728. Applicant's representative: L. M. McLean (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Frozen foods*, from points in California (except points in San Bernardino and Imperial Counties, Calif., and points in that part of Riverside County, Calif., east of U.S. Highway 395) to points in Missouri on and north of U.S. Highway 50 and points in Kentucky. The purpose of this filing is to eliminate the gateway of Franklin, Idaho.

No. MC–117119 (Sub-No. E31), filed May 9, 1974. Applicant: WILLIS SHAW FROZEN EXPRESS, INC., P.O. Box 188, Elm Springs, Ark. 72728. Applicant's representative: L. M. McLean (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Frozen foods*, from points in California (except points in San Bernardino and Imperial Counties, and points in Riverside County east of U.S. Highway 395), to points in that part of Minnesota on and east of a line beginning at the Iowa-Minnesota State line, thence north along U.S. Highway 65 to the junction of Minnesota Highway 23, thence along Minnesota Highway 23 to Lake Superior at Duluth, Minn. The purpose of this filing is to eliminate the gateways of Preston, Idaho, and St. Joseph, Mo.

No. MC–117119 (Sub-No. E32), filed April 8, 1974. Applicant: WILLIS SHAW FROZEN EXPRESS, INC., P.O. Box 188, Elm Springs, Ark. 72728. Applicant's representative: L. M. McLean (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Frozen foods*, from points in California to points in New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Delaware, Pennsylvania, West Virginia, Maryland, and the District of Columbia, and to points in that part of Virginia east of Virginia Highway 16. The purpose of this filing is to eliminate the gateway of Preston, Idaho.

No. MC–117119 (Sub-No. E33), filed April 8, 1974. Applicant: WILLIS SHAW FROZEN EXPRESS, INC., P.O. Box 188, Elm Springs, Ark. 72728. Applicant's representative: L. M. McLean (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Frozen foods*, from points in California (except points in that part of California on, east, and south of a line beginning at the Nevada-California State line and extending along Interstate Highway 15 to the junction of California Highway 18, thence along California Highway 18 to the junction of California Highway 62, thence along California Highway 62 to junction of Interstate Highway 10, thence along Interstate Highway 10 to the junction of California Highway 86, thence along California Highway 86 to the junction of U.S. Highway 80, thence along U.S. Highway 80 to the junction of California Highway 111, thence along California Highway 111 to the United States-Mexico International boundary line), to points in Illinois, Indiana, Ohio, Wisconsin, and Michigan. The purpose of this filing is to eliminate the gateway of Preston, Idaho.

No. MC–117119 (Sub-No. E34), filed April 8, 1974. Applicant: WILLIS SHAW FROZEN EXPRESS, INC., P.O. Box 188, Elm Springs, Ark. 72728. Applicant's representative: L. M. McLean (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Foodstuffs* (except dairy products and commodities in bulk), in truckloads of 20,000 pounds minimum, from points in Maryland east of the Chesapeake Bay and south of the Chesapeake and Delaware Canal to points in Washington (except Grandview and Kennewick, Wash., and points in Asotin, Garfield, Whitman, Spokane, and Pend Oreille Counties, Wash.), Nevada, and Oregon, restricted to the transportation of the quantities indicated, when transported from one consignor to one or more consignees. The purpose of this filing is to eliminate the gateways of Cincinnati, Ohio, and Fort Smith, Ark.

No. MC–123048 (Sub-No. E1), filed May 15, 1974. Applicant: DIAMOND TRANSPORTATION SYSTEM, INC., P.O. Box A, Racine, Wis. 53401. Applicant's representative: Paul L. Martinson (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Agricultural farm machinery* (except commodities the transportation of which requires the use of special equipment or special handling), from Antigo, Wis., to points in Arizona, California, Idaho, Montana, New Mexico, Oregon, Utah, Washington, and Wyoming. Restricted to shipments originating at the plant and warehouse sites of Lockwood Division, Seilon, Inc., at Antigo, Wis. The purpose of this filing is to eliminate the gateway of Owatonna, Minn.

No. MC–123048 (Sub-No. E2), filed May 15, 1974. Applicant: DIAMOND TRANSPORTATION SYSTEM, INC., P.O. Box A, Racine, Wis. 53401. Applicant's representative: Paul L. Martinson (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Farm implements* (except commodities the transportation of which require the use of special equipment or special handling), from Antigo, Wis., to points in Colorado, Kansas, Nebraska, and South Dakota. Restricted to shipments originating at the plant and warehouse sites of Lockwood Division, Seilon, Inc., at Antigo, Wis. The purpose of this filing is to eliminate the gateway of Owatonna, Minn.

No. MC–123048 (Sub-No. E3), filed May 15, 1974. Applicant: DIAMOND TRANSPORTATION SYSTEM, INC., P.O. Box A, Racine, Wis. 53401. Applicant's representative: Paul L. Martinson (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Agricultural implements* (except tractors, tractor parts, and tractor attachments and commodities the transportation of which requires the use of special equipment or handling), from Antigo, Wis., to points in Delaware, Maryland, New Hampshire, North Carolina, New Jersey, South Carolina, New York, and Virginia. Restricted to shipments originating at the plant and warehouse sites of Lockwood Division, Seilon, Inc., at Antigo, Wis. The purpose of this filing is to eliminate the gateway of Rochelle, Ill.

No. MC–123048 (Sub-No. E4), filed May 15, 1974. Applicant: DIAMOND TRANSPORTATION SYSTEM, INC., P.O. Box A, Racine, Wis. 53401. Applicant's representative: Paul L. Martinson (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Agricultural machinery*, other than hand, as defined by the Commission (except commodities the transportation of which require the use of special equipment or special handling), from Antigo, Wis., to points in Alabama, Arkansas, Louisiana, Mississippi, Missouri, Oklahoma, and Texas, restricted to shipments originating at the plant and warehouse sites of the Lockwood Division, Seilon, Inc., at Antigo, Wis. The purpose of this filing is to eliminate the gateway of Rockford, Ill.

No. MC–123048 (Sub-No. E5), filed May 15, 1974. Applicant: DIAMOND TRANSPORTATION SYSTEM, INC., P.O. Box A, Racine, Wis. 53401. Applicant's representative: Paul L. Martinson (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Agricultural implements and farm machinery* (except commodities, the transportation of which requires the use of special equipment or special handling), from Antigo, Wis., to points in Florida, Georgia, Kentucky, Nevada, Tennessee, and West Virginia, restricted to shipments originating at the plant and warehouse sites of the Lockwood Division, Seilon, Inc., at Antigo, Wis. The purpose of this filing is to eliminate the gateway of Crown Point, Ind.

No. MC–123048 (Sub-No. E6), filed May 15, 1974. Applicant: DIAMOND TRANSPORTATION SYSTEM, INC., P.O. Box A, Racine, Wis. 53401. Appli-

cant's representative: Paul L. Martinson (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Agricultural machinery and implements*, other than hand, as defined by the Commission (except commodities, the transportation of which because of size or weight require special equipment or special handling), from Rockford, Ill., to points in Arizona, California, Idaho, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming. The purpose of this filing is to eliminate the gateway of Green Point, Ind.

No. MC–123048 (Sub-No. E7), filed May 15, 1974. Applicant: DIAMOND TRANSPORTATION SYSTEM, INC., P.O. Box A, Racine, Wis. 53401. Applicant's representative: Paul L. Martinson (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Agricultural machinery*, from Charles City, Iowa, to points in Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, Pennsylvania, Virginia, and New York (except points in Kings, Queens, Nassau, and Suffolk Counties). The purpose of this filing is to eliminate the gateway of Allentown, Wis.

No. MC–123048 (Sub-No. E8), filed May 15, 1974. Applicant: DIAMOND TRANSPORTATION SYSTEM, INC., P.O. Box A, Racine, Wis. 53401. Applicant's representative: Paul L. Martinson (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Farm tractors* (except those the transportation of which because of size or weight require special equipment or special handling), from Charles City, Iowa, to points in Kentucky, Florida, Georgia, Ohio, and West Virginia. The purpose of this filing is to eliminate the gateway of Crown Point, Ind.

No. MC–123048 (Sub-No. E9), filed May 15, 1974. Applicant: DIAMOND TRANSPORTATION SYSTEM, INC., P.O. Box A, Racine, Wis. 53401. Applicant's representative: Paul L. Martinson (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Farm loading elevators and farm wagons*, from Glenbeulah, Wis., to points in Delaware, Maryland, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, South Carolina, and Virginia. The purpose of this filing is to eliminate the gateway of Rochelle, Ill.

No. MC–123048 (Sub-No. E10), filed May 15, 1974. Applicant: DIAMOND TRANSPORTATION SYSTEM, INC., P.O. Box A, Racine, Wis. 53401. Applicant's representative: Paul L. Martinson (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Farm loading elevators and farm wagons*, from Glenbeulah, Wis., to points in Alabama, Arkansas, Iowa, Kansas, Louisiana, Missouri, Nebraska, Oklahoma, and Texas. The purpose of this filing is to eliminate the gateway of Rockford, Ill.

No. MC–123048 (Sub-No. E11), filed May 15, 1974. Applicant: DIAMOND TRANSPORTATION SYSTEM, INC., P.O. Box A, Racine, Wis. 53401. Applicant's representative: Paul L. Martinson (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Farm loading elevators and farm wagons* (except commodities, the transportation of which because of size or weight require the use of special equipment or special handling), from Glenbeulah, Wis., to points in Arizona, California, Colorado, Florida, Georgia, Idaho, Mississippi, Nevada, New Mexico, Oregon, Tennessee, Utah, Washington, and West Virginia. The purpose of this filing is to eliminate the gateway of Crown Point, Ind.

No. MC–123048 (Sub-No. E15), filed May 15, 1974. Applicant: DIAMOND TRANSPORTATION SYSTEM, INC., P.O. Box A, Racine, Wis. 53401. Applicant's representative: Paul L. Martinson (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Agricultural implements and farm machinery* (except commodities, the transportation of which because of size, shape, or weight, require the use of special equipment or special handling), from the plant site and warehouse facilities of Smalley Manufacturing Co., at Manitowoc, Wis., to points in Florida, Georgia, and Nevada. The purpose of this filing is to eliminate the gateway of Crown Point, Ind.

No. MC–123048 (Sub-No. E16), filed May 15, 1974. Applicant: DIAMOND TRANSPORTATION SYSTEM, INC., P.O. Box A, Racine, Wis. 53401. Applicant's representative: Paul L. Martinson (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Agricultural implements* (except tractors, tractor parts, and attachments, and commodities the transportation of which because of size, shape, or weight, require the use of special equipment or special handling), from the plant site and warehouse facilities of Smalley Manufacturing Co., at Manitowoc, Wis., to points in South Carolina. The purpose of this filing is to eliminate the gateway of Rochelle, Ill.

No. MC–123048 (Sub-No. E17), filed May 15, 1974. Applicant: DIAMOND TRANSPORTATION SYSTEM, INC., P.O. Box A, Racine, Wis. 53401. Applicant's representative: Paul L. Martinson (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Agricultural machinery*, other than hand, as defined by the Commission (except commodities, the transportation of which because of size, shape, or weight require the use of special equipment or special handling), from the plant site and warehouse facilities of Smalley Manufacturing Co., at Manitowoc, Wis., to points in Alabama, Arkansas, Louisiana, Mississippi, Oklahoma, and Texas. The purpose of this filing is to eliminate the gateway of Rockford, Ill.

No. MC–123048 (Sub-No. E18), filed May 15, 1974. Applicant: DIAMOND TRANSPORTATION SYSTEM, INC., P.O. Box A, Racine, Wis. 53401. Applicant's representative: Paul L. Martinson (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Farm machinery* (except commodities, the transportation of which because of size, shape, or weight, requires the use of special equipment or special handling), from the plant site and warehouse facilities of Smalley Manufacturing Co., at Manitowoc, Wis., to points in Arizona, California, Idaho, Montana, New Mexico, Oregon, Utah, Washington, and Wyoming. The purpose of this filing is to eliminate the gateway of Owatonna, Minn.

No. MC–124078 (Sub-No. E3), filed May 9, 1974. Applicant: SCHWERMAN TRUCKING CO., 611 South 28 Street, Milwaukee, Wisconsin 53246. Applicant's representative: Richard H. Prevette (same as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Dry cement*, from the plant site of Martin-Marietta Cement, Southern Division, at Atlanta, Ga., to points in Tennessee. The purpose of this filing is to eliminate the gateway of the plant site of the Marquette Cement Manufacturing Company at Rockmart, Ga.

By the Commission.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.74–12582 Filed 5–31–74;8:45 am]

COMMITTEE FOR THE IMPLEMENTATION OF TEXTILE AGREEMENTS

COTTON, WOOL AND MAN-MADE FIBER TEXTILE PRODUCTS PRODUCED OR MANUFACTURED IN THE REPUBLIC OF CHINA

Entry or Withdrawal From Warehouse for Consumption

MAY 31, 1974.

Under the terms of the Bilateral Cotton Textile Agreement, as amended, and the Bilateral Wool and Man-Made Fiber Textile Agreement, as amended, both of December 31, 1971, between the Governments of the United States and the Republic of China, the Government of the Republic of China has undertaken to limit its exports of cotton, wool and man-made fiber textile products to the United States to certain designated levels.

By an exchange of letters, dated May 8 and 9, 1974, the two governments have agreed to establish an administrative mechanism to exempt from the limitations of the aforementioned bilateral agreements commercial shipments of cotton, wool and man-made fiber textile products, valued at less than $250, when properly certified by the Government of the Republic of China.

Accordingly, there is published below a letter of May 31, 1974, from the Chairman of the Committee for the Implementation of Textile Agreements to the Commissioner of Customs directing that, effective on June 13, 1974, shipments of cotton, wool and man-made fiber textile products, certified exempt by the Government of the Republic of China, shall not be subject to the levels of restraint established in the Bilateral Cotton, Wool and Man-Made Fiber Textile Agreements of December 31, 1971, as amended, between the Governments of the United States and the Republic of China.

SETH M. BODNER,
Chairman, Committee for the Implementation of Textile Agreements, and Deputy Assistant Secretary for Resources and Trade Assistance.

COMMITTEE FOR THE IMPLEMENTATION OF TEXTILE AGREEMENTS

COMMISSIONER OF CUSTOMS
Department of the Treasury
Washington, D.C. 20229

MAY 31, 1974.

DEAR MR. COMMISSIONER: This directive amends but does not cancel the directive issued to you on September 26 and December 27, 1973 by the Chairman of the Committee for the Implementation of Textile Agreements which designated levels of restraint for wool, man-made fiber and cotton textile products produced or manufactured in the Republic of China which may be entered or withdrawn from warehouse for consumption in the United States during the twelve-month periods which began, respectively, on October 1, 1973 and January 1, 1974. It further amends but does not cancel the directive of September 27, 1972 which established an export visa requirement for entry into the United States for consumption and withdrawal from warehouse for consumption of cotton, wool and man-made fiber textile products produced or manufactured in the Republic of China; and it further amends but does not cancel the directive issued to you on April 19, 1973, which established an administrative mechanism to exempt certain handicraft and art articles from the levels of the aforementioned bilateral wool and man-made fiber textile agreement.

Pursuant to paragraphs 15 and 12(a) of the Bilateral Cotton Textile and the Bilateral Wool and Man-Made Fiber Textile Agreements, as amended, both of December 31, 1971, between the Governments of the United States and the Republic of China, and in accordance with the procedures of Executive Order 11651 of March 3, 1972, effective on June 13, 1974, entries of cotton, wool and man-made fiber textile products, valued at less than $250, shall not be subject to the levels of restraint established under the aforementioned bilateral agreements.

To qualify for exemption, each entry valued under $250 shall be accompanied by certification issued by the Government of the Republic of China in accordance with the procedure established for the certification of items exempted from the Bilateral Wool and Man-Made Fiber Textile Agreement, as amended, and outlined in our directive of April 19, 1973. In the space following the word "Description" on each certifying stamp, the Government of the Republic of China will indicate, "less than $250."

The official authorized to issue certifications for entries valued under $250 shall be the same as the one authorized to issue certifications for exempt items.

The actions taken with respect to the Government of the Republic of China and with respect to imports of cotton, wool and man-made fiber textile products from the Republic of China have been determined by the Committee for the Implementation of Textile Agreements to involve foreign affairs functions of the United States. Therefore, the directions to the Commissioner of Customs being necessary to the implementation of such actions, fall within the foreign affairs exception to the rule-making provisions of 5 U.S.C. 553. This letter will be published in the FEDERAL REGISTER.

Sincerely,

SETH M. BODNER,
Chairman, Committee for the Implementation of Textile Agreements, and Deputy Assistant Secretary for Resources and Trade Assistance.

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PART II

ENVIRONMENTAL PROTECTION AGENCY

■

WATER QUALITY MANAGEMENT BASIN PLANS

Policies and Procedures

Title 40—Protection of the Environment

CHAPTER I—ENVIRONMENTAL PROTECTION AGENCY

PART 130—POLICIES AND PROCEDURES FOR STATE CONTINUING PLANNING PROCESS

The purpose of this notice is to amend 40 CFR to add a new Part 130—Policies and Procedures for State Continuing Planning Process. On March 27, 1973, notice was published in the FEDERAL REGISTER (38 FR 8034) that the Environmental Protection Agency (EPA) was proposing, in the form of interim regulations, policies and procedures for the State Continuing Planning Process pursuant to section 303(e) of the Federal Water Pollution Control Act, as amended; Pub. L. 92-500, 86 Stat. 816 (1972); (33 U.S.C. 1251 et seq.) (hereinafter referred to as the Act).

Section 303(e) of the Act requires each State to submit a continuing planning process which is consistent with the Act. Following the publication of the interim regulations of March 27, 1973, and prior to the publication of these final regulations, every State received EPA approval of a State continuing planning process. These final regulations, which describe the necessary elements of a State's continuing planning process, therefore provide policies and procedures for review, revision, and approval of a State's continuing planning process in accordance with §§ 130.52 and 130.54. In addition, these regulations also provide a mechanism for States to satisfy the Statewide responsibilities of section 208(b)(2)(F thru K) and sections 303(d) (Critical waters and total maximum daily loads); 305(b) (State reports on water quality and related information, including nonpoint sources); 314(a) (Clean lakes); 516(b) (Federal/State estimate of publicly owned treatment works construction needs); and they provide data for 104(a)(5) (Federal report on water quality).

Goals. The broad goals of the continuing planning process are to provide the States with the water quality assessment and program management information necessary to make centralized coordinated water quality management decisions; to encourage water quality objectives which take into account overall State policies and programs, including those for land use and other related natural resources; and to provide the strategic guidance for developing the annual State program submittal under section 106 of the Act.

Purpose of the State process. The specific purpose of the State continuing planning process is to provide a mechanism for development of a State's program submittal under section 106 of the Act. This will be accomplished by developing an annual State strategy, which will be based upon basin plans where they are completed and upon other available information where the plans are not completed.

The annual State strategy will assist the State:

In directing resources-planning, monitoring, permitting, and financial assistance against water quality problems on a priority basis.

In establishing a coordinated schedule of action.

In reporting on progress in achieving program targets and scheduled milestones.

In providing the analysis required to revise water quality standards and to insure that applicable water quality standards are attained.

In specifying the requirements for, and scheduling the completion of, section 303 basin plans for all waters.

In determining the impact of nonpoint sources of pollution on State water quality and, where feasible, developing methods and procedures to control such sources on a statewide basis.

In insuring public participation in the development of the planning process and of basin plans.

The scope and timing of a basin plan for a specific planning area will be tailored to the problems of the area. No process should require individual basin plans to be more detailed than is necessary for sound water quality management.

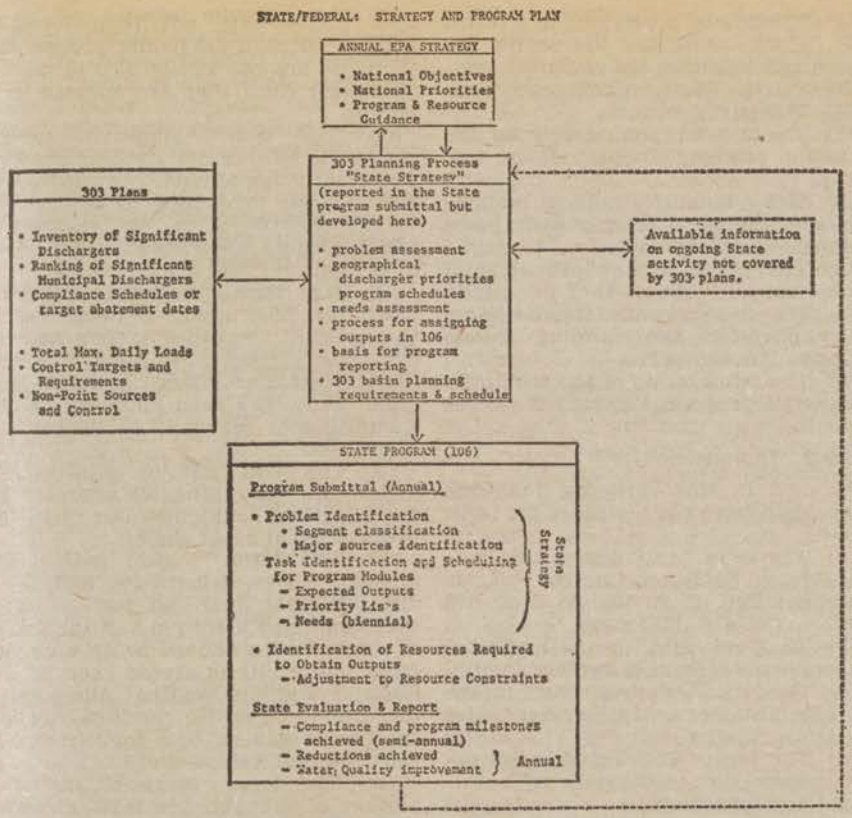
Federal properties, facilities, and activities are subject to Federal, State, interstate, and local standards and effluent limitations for control and abatement of pollution. The State's planning process should include provision for Federal sources. It is contemplated that Federal agencies will provide information to the States in accordance with procedures established by the Administrator.

Relationship of the continuing planning process and the section 106 State program. State water quality management is formed through the annual section 106 State program submission. The program, consisting of a State strategy, output commitments, reporting, and evaluation, is a sequenced year-round process, as illustrated in the following figure. The cycle begins with the submission of the annual strategy, followed by the annual section 106 program submission. A semi-annual evaluation and reporting of accomplishments completes the cycle.

Basin plan contents. Companion regulations under Part 131 of this chapter, describe requirements for the preparation of basin plans pursuant to the States's continuing planning process: Part 131 regulations should be consulted during the review and revision of the continuing planning process under this Part 130.

Comments on Interim Regulations. A total of 24 written comments were received, seven from States, four from public and private utilities, three from planning organizations, four from public interest groups and the remaining from consultants, industry and other interested individuals. A number of verbal comments also were received. In addition, a task force comprised of representatives of eight State Water Pollution Control Agencies and three EPA Regional Offices reviewed the final draft and made comments and suggested language changes, as needed. The EPA has carefully considered all submitted comments. The comments ranged from those desiring more stringent requirements to those who believed that these regulations could be better handled under other sections of the Act. There was only one comment opposed to the regulations, by an industrial group.

The policy decisions have been reviewed with representative States. The EPA revised the regulations to reflect most of the concerns raised, by either adopting the comment or substantially satisfying it through editorial changes and deletions from or additions to the regulations.



a. Many commenters indicated that the term "significant discharger" was not well defined in the interim regulations. In addition, using only significant dischargers to formulate State municipal discharge inventories would not satisfy the legal requirements of the construction grants program. The regulations continue the use of the term "significant discharger"; however, its meaning has been clarified to include those dischargers for which timely management action must be taken in order to meet water quality objectives for the basin within the period of the current plan, where the States deem it appropriate to include them. The intent is to restrict the significant dischargers to those requiring control action during the span of the plan.

b. Several comments expressed concern that adequate time to develop basin plans was not allowed by the July 1, 1975, deadline. Although the 1975 deadline has been retained, the Regional Administrator is authorized to grant an extension.

c. Editorially, wording was modified somewhat to reduce duplication of language contained in Part 131 of this Chapter.

d. The level of detail and timing of basin plan preparation is to be determined by a State/EPA agreement that will be submitted as part of the annual State strategy in the Section 106 State program plan. Submission of the level of detail and timing agreement for Fiscal Year 1975 will be accomplished as a part of the revision of the initial planning process. (See § 130.42).

e. Other revisions are:

(1) Detailed explanation has been included on the requirements for increasing the scope of basin plans over time. (See § 130.20).

(2) In order to facilitate coordination between basin and facilities planning, it is now required that the state identify facilities planning areas through the continuing planning process. (See §§ 130.21 and 130.51).

(3) Some commenters indicated that the interim regulations did not address the antidegradation issue. The regulations now require explicitly that the planning process provide that basin plans be consistent with water quality standards including any antidegradation statements. (See § 130.22).

(4) Many comments were received regarding segment classification. Clarifying language has been included with respect to segment classification:

(i) Editorially, the word "class" has been deleted from the segment classifications;

(ii) Water Quality segment classification must now include the specific water quality parameters requiring consideration.

(5) Provisions regarding land use and non-point sources of pollutants have been modified with respect to scope of basin planning and timing considerations and section 208(b)(2) (F through K) of the Act. (See §§ 130.23 and 131.202).

(6) Since land disposal of wastes may have adverse effects on surface or ground waters, requirements respecting control of such disposal have been restated, under the authority of sections 208 and 303(e), to clarify the need to consider the consequences to each category.

(7) Requirements regarding revisions to the process have been clarified. Annual reviews and, as may be necessary annual revisions are now required as part of the Section 106 State program submittal each year. The 1974 revisions will be submitted within 90 days following the publication of these regulations and must address whatever changes are necessary to insure conformity with §§ 130.11(e) and (f), 131.203, and 130.42. (See § 130.54).

(8) Changes requested that were not incorporated were to lengthen beyond five years the period of basin plan coverage and to allow a period greater than 30 days for public participation. The intent is that the basin plans will be more specific if limited to a five year span; and under the regulations this is only a minimum requirement which may be expanded to cover a twenty year period broken into five year increments. Further, it should be noted that priorities and expenditures within a five year period determine controls and water quality improvements over a much longer period.

The minimum period for public participation was not extended beyond 30 days since it was felt that this period normally would be sufficient for presenting one's case and that additional time, where warranted, could be allowed in individual cases.

State continuing planning processes which have been submitted and approved pursuant to the interim regulations published March 27, 1973, remain in force until revisions are made to the process pursuant to § 130.54. In consideration of the foregoing, Title 40 CFR is hereby amended to add a new Part 130—Policies and Procedures for State Continuing Planning Process.

Effective date: July 3, 1974.

Dated: May 24, 1974.

RUSSELL TRAIN,
Administrator.

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130.60 Relationship of continuing planning process to State participation in National Pollutant Discharge Elimination System.

AUTHORITY: Secs. 106, 208(b)(2), 303(d), 303(e), 305(b), 314, 501, 516(b) of the Federal Water Pollution Control Act, as amended; Pub. L. 92-500, 86 Stat. 816 (1972); (33 U.S.C. 1251 et seq.).

Subpart A—Scope and Purpose; Definitions

§ 130.1 Scope and purpose.

(a) This part establishes regulations specifying procedural and other requirements for the submission and approval of State continuing planning processes pursuant to section 303(e) of the Federal Water Pollution Control Act, as amended; Pub. L. 92-500, 86 Stat. 816 (1972); (33 U.S.C. 1251 et seq.).

(b) The broad goals of the continuing planning process are: to provide the States with the water quality assessment and program management information necessary to make centralized coordinated water quality management decisions; to encourage water quality objectives which take into account overall State policies and programs, including those for land use and other related natural resources; and to provide the strategic guidance for developing the annual State program submittal under section 106 of the Act.

(c) The State continuing planning process is directed toward the attainment of water quality standards established under section 303 of the Act which are designed to achieve the goals set forth in the Act. The continuing planning process provides a mechanism for developing an annual State strategy for directing resources; establishing priorities; scheduling actions; and reporting progress toward the achievement of program objectives.

(d) The "continuing planning process" is the process by which the State develops:

(1) The annual State strategy, which sets the State's major objectives and priorities for preventing and controlling pollution over a one to three year period.

(2) Individual basin plans, which establish specific programs and targets for preventing and controlling water pollution in individual basins and establish policies which guide decision making over a five to ten year span of time.

(3) The annual program plan (section 106), which establishes the results expected and identifies the resources committed for the State program each year.

(e) This part describes:

(1) The general requirements for the planning process (Subpart B of this part).

(2) The planning process requirements for the preparation of basin plans (Subpart C of this part).

(3) The preparation of the annual State strategy (Subpart D of this part).

(4) The requirements for submission and approval of the planning process (Subpart E of this part).

(5) The relationship of the process to the permit program (Subpart F of this part).

§ 130.2 Definitions.

As used in this part, the following terms shall have the meanings set forth below.

(a) The term "Act" means the Federal Water Pollution Control Act, as amended; Pub. L. 92-500, 86 Stat. 816 (1972); (33 U.S.C. 1251 et seq.).

(b) The term "EPA" means the United States Environmental Protection Agency.

(c) The term "Administrator" means the Administrator of the Environmental Protection Agency.

(d) The term "Regional Administrator" means the appropriate EPA Regional Administrator.

(e) The terms "continuing planning process," "planning process," and "process" mean the continuing planning process required by section 303(e) of the Act including any revision thereto.

(f) The term "basin plan" means the water quality management plan for each hydrologic basin or other approved basin unit within a State. Such plans form a basis for implementing applicable effluent limitations and water quality standards, and consist of such elements as are necessary for sound planning and program management in the basin covered by the plan. Requirements for the preparation of basin plans are described in Part 131 of this chapter.

(g) The term "effluent limitation" means any restriction established by a State or the Administrator on quantities, rates, and concentrations of chemical, physical, biological, and other constituents which are discharged from point sources into navigable waters, the waters of the contiguous zone, or the ocean, but does not include schedules of compliance.

(h) The term "schedule of compliance" means remedial measures to be accomplished and a sequence of actions or operations leading to compliance with applicable effluent limitations, water quality standards and other requirements of State and Federal law. Schedule of compliance includes those sequenced actions or operations contained in a National Pollutant Discharge Elimination System permit which are legally binding on the discharger; whereas, the term "target abatement dates" means a sequence of actions or control measures which have not been formally adopted through the permit process and therefore are not legally binding on the discharger until they are adopted in a permit.

(i) The term "municipal needs" means the total capital funding required for construction of publicly owned treatment works, as defined in section 212 (2)(A) and (B) of the Act, required to meet national water quality objectives of sections 301 and 302 of the Act.

(j) The term "National Pollutant Discharge Elimination System" means the national permitting system authorized under section 402 of the Act, including any State or interstate permit program which has been approved by the Administrator pursuant to section 402 of the Act.

(k) The term "phasing of planning" means the State schedule approved by the Regional Administrator for the preparation of basin plans.

(l) The term "basin" means the streams, rivers, tributaries, and lakes and the total land and surface water area contained within one of the major or minor basins defined by EPA, or any other basin unit as agreed upon by the State(s) and the Regional Administrator. Unless otherwise specified, "basin" shall refer only to those portions within the borders of a single State.

(m) The term "segment" means a portion of a basin, the surface waters of which have common hydrologic characteristics (or flow regulation patterns); common natural physical, chemical, and biological processes; and common reactions to external stresses, such as the discharge of pollutants. (See § 130.11(d)).

(n) The term "significant discharge" means any point source discharge for which timely management action must be taken in order to meet the water quality objectives for the basin within the period of the operative basin plan. The significant nature of the discharge is to be determined by the State, but must include, at a minimum, any discharge which is causing or will cause serious or critical water quality problems relative to the segment to which it discharges.

(o) The definitions of the terms contained in section 502 of the Act shall be applicable to such terms as used in this part unless the context otherwise requires.

Subpart B—General Requirements

§ 130.10 Process coverage and coordination function.

(a) The process shall provide for the preparation of basin plans for all waters within the State, as provided in Subpart C of this part.

(b) The process shall establish phasing of plans to be accomplished, as provided in Subpart D of this part.

(c) The process shall provide the method by which the State shall coordinate all water quality planning, programming and management.

(d) The process shall provide the method by which the State shall coordinate its water quality management planning with related State and local comprehensive, functional, and project planning activities, including land use and other natural resources planning activities.

(e) The process shall provide the method by which the State shall coordinate its water quality management planning with that of its neighboring States.

§ 130.11 Classification of basin segments.

(a) The requirements of this part and Part 131 of this chapter vary according to the classification of each particular basin segment, such that the time and resources to be extended in developing the basin plan for a particular segment, as well as the substantive content of the basin plan, will be commensurate with the severity of the water pollution problem, as described in Subpart B of Part 131 of this chapter.

(b) The classification of segments also shall be used in establishing State priorities in accordance with Subpart D of this part.

(c) The classification of segments shall be based upon measured instream water quality, where available.

(d) Each basin segment shall be classified as follows:

(1) *Water quality.* Any segment where it is known that water quality does not meet applicable water quality standards and/or is not expected to meet applicable water quality standards even after the application of the effluent limitations required by sections 301(b)(1)(A) and 301(b)(1)(B) of the Act.

(2) *Effluent limitations.* Any segment where it is known that water quality is meeting and will continue to meet applicable water quality standards or where there is adequate demonstration that water quality will meet applicable water quality standards after the application of the effluent limitations required by sections 301(b)(1)(A) and 301(b)(1)(B) of the Act.

(e) Each Water Quality segment classification shall include the specific water quality parameters requiring consideration in the total maximum daily load allocation process, as provided in § 131.304 of this chapter.

(f) Each segment classification shall reflect any necessary allowance for anticipated economic and demographic growth over at least a five year period and an additional allowance reflecting the degree of precision and validity of the analysis upon which the classification is based. Where the analysis is less precise, or there is uncertainty concerning growth projections, a greater margin of safety shall be required for the assignment of any segment as an Effluent Limitation segment. In determining the additional allowance, consideration should be given to economic and demographic projections that are utilized in other State environmental and natural resource programs.

§ 130.12 Designation of planning agencies.

(a)(1) The Governor of a State shall designate a State agency responsible to conduct the required planning under this part and Part 131 of this chapter. The Governor may designate a local or interstate agency to conduct all or any portion of the planning within each basin and may assign planning responsibilities under the process and Part 131 of this chapter to any such designated agency.

(2) Locally elected officials of general purpose units of government, and other pertinent local and areawide organizations within the jurisdiction of a proposed designated agency, shall be consulted prior to any final designation.

(b)(1) Each designation shall include:

(i) The agency's name, address, and name of the director.

(ii) The agency's jurisdiction (geographical coverage and extent of planning responsibilities).

(2) In the event that all or a portion of a basin plan is to be undertaken by an agency other than the State water pollution control agency, evidence from such other agency shall be supplied which shows acceptance of such designation and the agency's intent to comply within the time schedules set forth in the planning process.

(3) The State may make additional assignments, as set forth in this section, from time to time. Such designations shall be accomplished by revising the planning process as provided in § 130.54.

§ 130.13 Public participation.

Each process, and any revision thereof, shall provide for public participation in accordance with section 101(e) of the Act and regulations issued by the Administrator thereunder. Public participation, with adequate opportunity for public hearing upon proper showing, shall be required on significant elements of the planning process, including the proposed State strategy and priority lists developed under the continuing planning process pursuant to section 106 regulations.

§ 130.14 Separability.

If any provision of this part, or the application of any provision of this part to any person or circumstance, is held invalid, the application of such provision to other persons or circumstances, and the remainder of this part, shall not be affected thereby.

Subpart C—Requirements for Basin Plans

§ 130.20 Content and scope of basin plans.

(a) The process shall provide that basin plan analysis, preparation, documentation, and coordination for segments shall be developed as prescribed in Part 131, Subparts B and C, of this chapter.

(b) The process shall provide that basin planning will increase in scope as prescribed in § 131.202 of this chapter.

§ 130.21 Establishment of planning areas.

The process shall provide for the establishment of basin planning areas as specified in § 131.203 of this chapter.

§ 130.22 Water quality standards; antidegradation.

(a) The process shall provide that each basin plan shall set forth and be consistent with applicable water quality standards, including any antidegradation statement.

(b) The process, including the basin plans developed as part of the process, shall be used by the States to assist in making any necessary revisions of water quality standards.

§ 130.23 Nonpoint sources of pollutants.

The process shall provide that, where the Governor so determines, the requirements of section 208(b)(2) (F through K) may be applied on a statewide basis, as prescribed in regulations prepared for designation of areawide waste treatment management planning areas. (§ 126.20 of this chapter.)

§ 130.24 Monitoring and surveillance.

The process shall provide for a monitoring and surveillance program which is designed to assure collection of data necessary to establish and review water quality standards, determine total maximum daily loads, load allocations and effluent limitations, and assess, where required, the contamination of land and groundwater systems caused by disposal of residual wastes or other pollutants on land or in subsurface excavation, as described in Part 131, Subpart D, of this chapter; and to establish the relationship between water quality and individual discharges and identify nonpoint sources of pollutants. (See also Subpart B of Part 35 of this chapter.)

§ 130.25 Intergovernmental cooperation.

(a) The process shall provide that in the preparation of basin plans, adequate areawide and local planning inputs will be included in the basin plan as appropriate. (See § 131.309 of this chapter.)

(b) The process shall provide that local governments within the State will be encouraged to utilize existing, or develop appropriate institutional or other arrangements with other local governments in the same State, for cooperation in the development and implementation of basin plans.

(c) The process shall provide for interstate cooperation whenever a basin plan involves the interests of more than one State. Such provision shall include the following assurances:

(1) That when a basin plan is under development in the State for an area affecting or affected by waters of one or more other States, the planning agency will cooperate with each such other State in the analyses and planning pertinent to such area, including but not limited to problem assessment and priorities and schedules for basin plan preparation. (See §§ 130.41 and 130.42.)

(2) That when a basin plan is under development in another State for an area affecting or affected by waters of the State, the State will cooperate with such other State in the analyses and planning pertinent to such area.

(d) The use of interstate agencies in all phases of interstate cooperation in water quality management planning is encouraged.

(e) The process shall describe the mechanism for State approval of water quality management basin plans involving interstate waters.

§ 130.26 Adoption, certification and submittal of basin plans.

The process shall provide that after appropriate public hearings the basin plans will be adopted, certified, and submitted to the appropriate Regional Administrator, as specified in Part 131, Subpart E, of this chapter.

Subpart D—Requirements for Annual State Strategy

§ 130.40 State strategy; contents.

(a) The planning process shall provide for the preparation of an annual State strategy. The annual State strategy shall be submitted as part of the section 106 State program submittal, as required pursuant to § 130.55. The Governor or his designee(s) shall be provided an opportunity to be involved in the identification and resolution of significant issues in the formulation of the State strategy.

(b) The State strategy shall contain:

(1) A statewide assessment of water quality problems and the causes of these problems.

(2) A listing of the geographical priorities of these problems.

(3) A description of the State's approach to solving its water quality problems identified in subparagraph (1) of this paragraph, including a discussion of the extent to which non-point sources of pollution will be addressed by the State program.

(4) A listing of the priorities and scheduling of permits, construction grants, basin plans, areawide plans and other appropriate program actions to carry out subparagraph (3) of this paragraph.

(5) A description of the level of detail and the schedule for preparation of basin plans proposed for each basin or portion thereof.

(6) A description of the manner in which the information, analyses, estimates, or recommendations required to satisfy the provisions of section 305(b) of the Act will be obtained together with all such information, analyses, estimates or recommendations as may be available at the time of submission of the State strategy unless the State chooses to submit the 305(b) report separately from the State strategy.

(c) The State strategy should be based upon other information derived from completed basin plans, when available, and from other available information in areas where basin plans are not completed.

§ 130.41 Segment priority ranking.

(a) Based on the annual statewide assessment of the water quality problems and causes of these problems developed pursuant to § 130.40(a)(1), the State shall rank each segment in priority order, taking into account:

(1) Severity of pollution problems.

(2) Population affected.

(3) Need for preservation of high quality waters.

(4) National priorities as determined by the Administrator.

(5) Additional factors identified by the State in its priority system.

(b) Segments of the same basin need not be listed together; however, their ranking in the State list shall be consistent with their ranking in any approved basin plan.

(c) The State segment priority ranking generally shall govern the development of basin plans, construction of publicly owned treatment works, issuance of permits, and other program activities.

§ 130.42 Agreement on level of detail and timing of basin plan preparation.

(a) The level of detail and timing of basin plan preparation proposed for each basin, or portion thereof, shall be determined by agreement between the State and the appropriate Regional Administrator. All basin plans must be submitted by July 1, 1975; however, the appropriate Regional Administrator may extend the time for submission by agreement with the State. The State will provide a proposed schedule for basin plan preparation and proposed level of detail of basin planning as part of the annual State strategy. Approval of the section 106 State program, including the annual State strategy, will serve as approval of the schedule and level of detail of basin planning.

(b) The schedule shall provide a sequence for phasing of planning to assure the orderly implementation of the planning process, consistent with existing planning efforts and needs and the expanding capabilities for planning in the State. Such schedule shall determine the State's priorities for the development of basin plans pursuant to the process during the period covered by the schedule.

(c) The schedule of basin plans shall be determined following consideration of:

(1) The ranking of segments pursuant to § 130.41 and the number of Water Quality segments in the basin; and

(2) Any other factors the State may deem appropriate in developing and scheduling plans for sound water quality management.

(d) Where agreement on level of detail and timing of basin planning has not previously been specified for Fiscal Year 1975, the State shall submit the proposed level of detail and timing of basin planning together with planning process revisions as specified in § 130.54.

§ 130.43 State municipal discharge inventory; priority ranking.

(a) Each State shall establish and maintain a State Municipal Discharge Inventory. The inventory shall set forth a Statewide ranking of significant municipal dischargers. The inventory shall be used in establishing priorities and output estimates for municipal facilities construction and in other program actions to be developed as part of the State program submittal required under section 106 of the Act. The inventory shall become the list of municipalities required in § 35.915(b) of this chapter for award of construction grants.

(b) The State Municipal Discharge Inventory shall be revised and submitted at least once each year, as required pursuant to § 130.55.

(c) The State shall rank significant municipal dischargers consistent with the segment priority rankings contained in § 130.41.

§ 130.44 State industrial discharge inventory.

Each State shall establish and maintain a State Industrial Discharge Inventory. The inventory should reflect the relative importance of significant dischargers and shall be used for guidance in establishing the annual State strategy. Problem identification and segment ranking should be used in developing the State Industrial Discharge Inventory.

Subpart E—Submission and Approval of Planning Process; Reports

§ 130.50 Submission of process.

(a) The Governor of each State shall submit to the Regional Administrator the continuing planning process.

(b) Submission shall be accomplished by delivering to the Regional Administrator five copies of the planning process and a letter from the Governor notifying him of such action.

§ 130.51 Contents of process submittal.

(a) The submittal shall contain, at a minimum, the following:

(1) A map of the State showing basins and segments and a map showing recommended areas delineated for facilities planning.

(2) A listing of the classifications of segments.

(3) A description of the planning method employed to formulate basin plans.

(4) A listing of the planning agency or agencies that will perform the planning under this part and Part 131 of this chapter.

(5) A description of public participation in the development of the process, including participation of local governments.

(6) A statement that legal authorities required to prepare and adopt basin plans as required by the planning process exist or will be obtained.

(7) A description of reports, including the State strategy, that will be submitted under section 106 of the Act.

§ 130.52 Review and approval or disapproval of process.

The Regional Administrator shall approve or disapprove the planning process submitted pursuant to § 130.50 within 30 days after the date of submission, as follows:

(a) If the Regional Administrator determines that the planning process conforms with the requirements of the Act and this Part 130, he shall so notify the Governor by letter.

(b) If the Regional Administrator determines that the process fails to conform with the requirements of the Act and this Part 130, he shall so notify the Governor by letter and shall state:

(1) The specific revisions necessary to obtain approval of the process.

(2) The time period for resubmission of the revised process or portions thereof.

§ 130.53 Prohibition of approval of certain planning processes; withdrawal of process approval.

The Regional Administrator shall not approve any continuing planning process which will not result in timely basin plans for all navigable waters within the State that conform with the applicable requirements of sections 303(e), 314(a), 208(b)(2)(F-K), and 303(d) of the Act and Part 131 of this chapter, relating to such basin plans. Substantial failure of any basin plan or plans prepared pursuant to the process to conform with such applicable requirements may indicate that the planning process by which such basin plan or plans were developed was deficient and should be revised. Failure to accomplish necessary revisions of the planning process may result in withdrawal of approval of part or all of the process.

§ 130.54 Review and revisions of process.

(a) The State shall review annually its continuing planning process and shall revise the process as may be necessary to assure the development and maintenance of a State strategy and current basin plans which will accomplish national water quality objectives in conformity with the requirements of the Act.

(b) The State shall submit annual planning process revisions to the Regional Administrator as part of the State Program Plan submittal under section 106 of the Act.

(c) In addition to any other necessary revisions identified by the State or the Regional Administrator, the State shall submit, within 90 days after publication of these regulations, whatever revisions to its planning process are necessary to insure conformity with §§ 130.11(e) and 130.11(f) and § 131.203 of this chapter.

(d) Revisions of the process shall be submitted in accordance with § 130.50.

(e) Review and approval or disapproval of revisions of the process shall be carried out in accordance with § 130.52.

§ 130.55 Reports; State program submittal.

The annual State strategy including the State problem assessment and priorities described in § 130.41, the State/EPA agreement on level of detail and timing of basin plan preparation as described in § 130.42, the State Municipal Discharge Inventory described in § 130.43, and the State Industrial Discharge Inventory described in § 130.44, as well as any other program progress report(s) which may be required, shall be submitted as part of the State program submittal under section 106 of the Act.

Subpart F—Relationship of Process To Permit Program

§ 130.60 Relationship of continuing planning process to State participation in National Pollutant Discharge Elimination System.

(a) State participation in the National Pollutant Discharge Elimination System, other than the interim participation provided in section 402(a)(5) of the Act, shall not be approved for any State which does not have an approved continuing planning process.

(b) Approval of State participation in the National Pollutant Discharge Elimination System may be withdrawn from any State if approval of the continuing planning process is withdrawn for any reason, including withdrawal of process approval based on gross failure to comply with the schedule for basin plan preparation (§ 130.42) or on failure of basin plans to conform with the planning process requirements (§ 130.52).

[FR Doc.74-12559 Filed 5-31-74;8:45 am]

PART 131—PREPARATION OF WATER QUALITY MANAGEMENT BASIN PLANS

The purpose of this part is to amend 40 CFR to add a new Part 131—Preparation of Water Quality Management Basin Plans. On May 23, 1973, notice was published in the FEDERAL REGISTER (38 FR 13567) that the Environmental Protection Agency was proposing policies and procedures designed to assist States in the preparation of water quality management basin plans pursuant to section 303(e) of the Federal Water Pollution Control Act, as amended; Pub. L. 92-500, 86 Stat. 816 (1972); (33 U.S.C. 1251 et seq.) (hereinafter referred to as the Act).

Section 303(e) of the Act requires each State to have a continuing planning process which is consistent with the Act. Basin plans under this part will be prepared in accordance with the State's continuing planning process submitted and approved pursuant to Part 130 of this chapter.

The regulations describe the requirements for preparation of basin plans and the procedures governing basin plan adoption, submission, revision, and EPA approval. The relationship of basin plans with EPA grants and the national permit system also is described. Provision is included for coordination between basin plans and any discharge permit for a source located in a planning area.

The regulations are designed to assure that basin plans prepared pursuant to this part will be appropriate for water quality management both in areas having complex water quality problems and in less complicated situations.

Written comments on the proposed regulations were invited and received from interested parties. A number of verbal comments also were received. The Environmental Protection Agency has carefully considered all submitted comments. All written comments are on file with the Agency. Certain of these comments have been adopted or substantially satisfied by editorial changes and deletions from or additions to the regulations. These and other principal changes are discussed below and in the preamble to Part 130 of this chapter.

(a) Since § 150.1-2 of this chapter will be superseded by Part 35, Subpart E of this chapter, the requirement that basin plans be coordinated with § 150.1-2 plans, has been deleted. Also, the requirement that basin plans be coordinated with water quality standards implementation plans has been deleted.

(b) Each basin plan must now be based on "best available" monitoring and surveillance data. (See § 131.400).

(c) Requirements regarding revisions to basin plans have been clarified. Each basin plan must be revised within five years of the last approval date; specific considerations in the revision process are also listed. (See § 131.505).

Section 131.507 clarifies § 35.925-2 to indicate that disapproval by the Regional Administrator of a basin plan, or relevant portion thereof, for the area where a project is to be located may constitute grounds for not approving a grant for such project. This revision will be included in an amendment to 40 CFR Part 35, Subpart E, § 35.925-2.

Those basin plans prepared under State continuing planning processes which have been submitted and approved pursuant to the interim regulations published May 23, 1973, remain in force until revisions are made to the basin plans pursuant to § 131.505 of this part. In consideration of the foregoing, Title 40 CFR is hereby amended to add a new Part 131—Preparation of Water Quality Management Basin Plans.

Effective date: July 3, 1974.

Dated: May 24, 1974.

RUSSELL E. TRAIN,
Administrator.

Subpart A—Scope and Purpose: Definitions

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131.506 Prohibition of approval of certain basin plans; withdrawal of process approval.
131.507 Prohibition of certain construction grants.
131.508 Discharge permit terms and conditions.
131.509 Separability.

AUTHORITY: Sec. 303(e) of the Federal Water Pollution Control Act, as amended; Pub. L. 92–500, 86 Stat. 816 (1972); (33 U.S.C. 1251 et seq.) (hereinafter referred to as the Act).

Subpart A—Scope and Purpose: Definitions

§ 131.100 Scope and purpose.

(a) This part establises regulations specifying procedural and other requirements for the preparation of basin plans pursuant to a State continuing planning process approved in accordance with section 303(e) of the Federal Water Pollution Control Act, as amended; Pub. L. 92–500, 86 Stat. 816 (1972); (33 U.S.C. 1251 et seq.), and Part 130 of this chapter.

(b) A basin plan is a management document which identifies the water quality problems of a particular basin and sets forth an effective remedial program to alleviate those problems. The basin plan is neither a broad water and related land resources plan nor a basinwide facilities plan. The value of a basin plan lies in its utility in making water quality management decisions on a basinwide scale. To achieve this objective, the detail of the basin plan should be designed to provide the necessary analysis for basin management decisions. Moreover, there must be a flexible revision mechanism to reflect changing conditions in the basin. A basin plan should be a dynamic management tool, rather than a rigid, static compilation of data and material.

(c) A basin plan will provide for orderly water quality management by:

(1) *Identifying problems.* Assessing existing water quality, applicable water quality standards, point sources of pollution, and, if appropriate, non-point sources of pollution.

(2) *Assessing needs and priorities.* Assessing water quality and abatement needs so as to identify any deficiencies in the Statewide priorities developed in accordance with §§ 130.41 through 130.44 of this chapter.

(3) *Scheduling actions.* Setting forth compliance schedules where permits have been issued or target abatement dates where permits have not been issued and indicating necessary State and local activities.

(4) *Coordinating planning.* Identifying needs and priorities for section 201 facility plans and section 208 areawide plans within the basin and reflecting the results of those activities.

§ 131.101 Definitions.

The definitions set forth in § 130.2 of this chapter shall apply to this part.

Subpart B—Preparation for Basin Planning

§ 131.200 General.

(a) Each basin plan under this part shall be prepared pursuant to the State planning process submitted and approved in accordance with Part 130 of this chapter.

§ 131.201 Basin plan elements.

(a) Basin planning elements vary with the water quality problems and the water quality decisions to be made in a particular basin. Generally, basin planning elements are consonant with the segment classifications indicated in the following table.

(b) The waters within the planning basin shall be classified as Water Quality segments and/or Effluent Limitation segments as described in Part 130, Subpart B of this chapter.

(c) The segment analyses as outlined in this Part 131, shall be used to reclassify, as appropriate, the current State classification of segments pursuant to § 130.11 of this chapter.

(d) The level of detail and the schedule of basin plan preparation will depend on the water quality problems and the water quality decisions to be made and shall be determined by the State/EPA agreement in accordance with § 130.42 of this chapter.

BASIN PLANNING ELEMENTS

	Water quality segments	Effluent limitation segments
1. Inventory and ranking of significant dischargers (§ 131.301)	×	×
2. Schedule of compliance or target dates (§ 131.302)	×	×
3. Assessment of municipal needs (§ 131.303)	×	×
4. Determination of total maximum daily loads (§ 131.304)	×	
5. Established or targeted load allocations and effluent limitations (§ 131.305)	×	
6. Assessment of non-point sources of pollution (§ 131.306)	×	
7. Residual waste controls (§ 131.307)	×	×
8. Recommended water quality standards revisions (§ 131.308)	×	×
9. Planning relationships (§ 131.309)	×	×
10. Appropriate monitoring and surveillance programs (Part 131 Subpart D)	×	×
11. Interstate/Intergovernmental cooperation (§ 130.25)	×	×

§ 131.202 Scope and timing of basin plan submissions.

(a) All basin plans must be submitted by July 1, 1975, unless an extension of time has been granted by the Regional Administrator pursuant to § 130.42 of this chapter, and shall concentrate on:

(1) Point source management provisions, including data assembly and significant discharge inventories;

(2) Waste load analysis in Water Quality segments, based on existing or readily obtainable data;

(3) Schedules of compliance or target abatement dates;

(4) Assessment of municipal needs for Federal construction grant assistance; and

(5) A recognition of non-point sources, to the extent feasible, to establish discharge load allocations for point source discharges.

(b) Revisions to basin plans after July 1, 1975, shall reconsider, where substantive changes have occurred, current actions with respect to the most recent data or analysis and shall concentrate, if appropriate, on the identification and evaluation of methods and procedures (including land use requirements) to control, to the extent feasible, non-point sources of pollution.

§ 131.203 Boundaries of planning area.

(a) Each basin planning area shall be the area within the basin boundary.

(b) Except as provided in paragraph (c) of this section, the basin boundaries shall be those identified as minor basins in the EPA water quality information system.

(c) The State planning process may provide for the establishment of planning boundaries differing from those identi-

fied in the EPA basin system. Any such differing boundaries shall be submitted to the Regional Administrator for approval.

(d) Each basin plan shall contain a delineation of the boundaries of the basin on a map of appropriate scale. Such map or maps shall include, but are not limited to:

(1) An identification of the location of each significant discharger by river mile and/or shore location for bays, lakes and estuaries.

(2) An identification of the location of all monitoring stations (Federal-State-Local) by river mile and/or grid location.

NOTE: Such a map may omit discharger and monitoring station locations if such locations are available in the EPA water quality information system and if the basin plan includes the listing described in § 131.301(b) and a list of monitoring stations and their locations.

Subpart C—Basin Plan Methodology and Contents

§ 131.300 General.

This subpart describes the methodology to be used in formulating the appropriate elements of basin plans as specified in Subpart B of this part.

§ 131.301 Inventory of sources; analysis of significant discharges; segment priority ranking.

(a) Each basin plan shall include an inventory of municipal and industrial sources and a ranking of municipal sources which shall be used by the State in the development of the State strategy, described in Part 130, Subpart D of this chapter.

(b) Each basin plan shall include an analysis of each significant discharger of pollutants, set forth the location of each source, and describe, by parameter, its waste discharge characteristics. The analysis should include data from the National Pollutant Discharge Elimination System. A summary of the information should be included in the basin plan.

(c) Each basin plan shall include a ranking of the basin segments in order of abatement priority for the purpose of identifying deficiencies in the Statewide priorities developed in §§ 130.41 through 130.44 of this chapter.

§ 131.302 Schedules of compliance; coordination with permits.

(a) Each basin plan shall include schedules of compliance or target dates of abatement for significant dischargers identified in § 131.301.

(b)(1) Each schedule of compliance or target date of abatement shall include milestone dates, as follows:

(i) The major interim and final completion dates included as terms or conditions of a permit, if any, that are necessary to assure an adequate tracking of progress towards compliance.

(ii) Where the source is required to obtain a permit under the National Pollutant Discharge Elimination System but no permit has been issued as of the date that the plan is submitted, a target date when the source must obtain a permit, as well as other target abatement dates that will enable an adequate tracking of progress towards completion of the facility.

(2) A basin plan may, at the option of the State, describe the legal basis for enforcement of schedules of compliance (e.g., adopted as State law; promulgated as State regulations; incorporated or to be incorporated in waste discharge permits).

§ 131.303 Assessment of municipal needs.

(a) Each basin plan shall include an assessment of municipal needs that have been identified, using the following criteria:

(1) Load reduction to be achieved by each facility, and why this reduction is required to attain and maintain applicable water quality standards and effluent limitations.

(2) Population or population equivalents to be served, including forecast growth or decline of such population over a 20 year period following the scheduled date for installation of the needed facility. These analyses shall take into account projections used in other State and local planning activities.

(3) Types of facilities needed and their investment costs derived from approved section 201 facilities plans, section 208 areawide waste treatment management plans, or facilities designs and specifications, if available.

(4) In the absence of the above plans and designs, an indication of facilities required to be considered as an option under future section 201 facilities or section 208 areawide planning and preliminary estimates of their costs.

(b) Cost estimates for facilities meeting the above criteria shall be based on engineering plans, specifications, and detailed cost estimates, where available. For any facility for which detailed estimates do not exist, cost estimates shall be made based on available guidelines prepared by the Administrator.

§ 131.304 Determination of total maximum daily loads.

(a) Each basin plan shall include for each Water Quality segment the total maximum daily loads of pollutants, including thermal loads, allowable for each specific criterion being violated or expected to be violated. Such loads shall be at a level at least as stringent as necessary to implement the applicable water quality standards, including:

(1) Provision for seasonal variation; and

(2) Provision of a margin of safety which takes into account any lack of knowledge concerning the relationship between effluent limitations and water quality and an additional margin of safety which takes into account any uncertainty resulting from insufficiency of data, including data from non-point sources of pollutants.

(b)(1) Each basin plan shall estimate for each Water Quality segment where thermal standards may be violated, the total daily thermal load allowable in such segment. Such load shall be at a level at least as stringent as necessary to assure the protection and propagation of a balanced, indigenous population of shellfish, fish, and wildlife. Such loads shall take into account:

(i) Normal water temperatures.

(ii) Flow rates.

(iii) Seasonal variations.

(iv) Existing sources of heat input.

(v) The dissipative capacity of the identified segment.

(2) Each estimate shall include an estimate of the maximum heat input that can be made into each Water Quality segment where temperature is one of the criteria being violated and shall include a margin of safety which takes into account lack of knowledge concerning the development of thermal water quality criteria for protection and propagation of indigenous biota in the identified segment.

(c) Where predictive mathematical models are used in the determination of total maximum daily loads, each model shall be identified and briefly described, and the specific use of the model shall be cited.

§ 131.305 Individual point source load allocations; impact on water quality.

Each basin plan shall establish discharge load and thermal load allocations or target allocations for point and non-point sources in each Water Quality segment as follows:

(a) The basin plan shall establish a discharge load allocation or target load allocation in each Water Quality segment for the purpose of establishing effluent limitations for significant dischargers and, to the degree feasible, for other sources including non-point sources identified pursuant to § 131.306 and shall, where appropriate, establish a load allocation for each thermal source. The total of such discharge load allocations or effluent limitations for all sources in the segment shall not exceed the total maximum daily load or thermal load allocation established or estimated for such segment pursuant to § 131.304.

(b) Each discharge load allocation and thermal load allocation established or estimated pursuant to this paragraph shall incorporate an allowance for anticipated economic and demographic growth over at least a five-year period and an additional allowance reflecting the precision and validity of the method used in determining such allowance.

(c) Establishment of discharge load allocations and thermal load allocations shall be coordinated with the development of terms and conditions of permits under the National Pollutant Discharge Elimination System in the manner prescribed in § 131.310.

§ 131.306 Individual non-point source assessment; impact on water quality.

(a) Each basin plan shall provide for the consideration, if appropriate, of agricultural, silvicultural, mining related, construction activity related, salt water intrusion related and other non-point discharges in accordance with § 131.202.

(b) Each basin plan shall identify and evaluate water quality problems in Water Quality segments caused by non-point source discharges including, at a minimum, a description of the type of problem, an identification of the waters affected, including an evaluation of the effects, and an identification of non-point sources contributing to the problem.

(c) Each basin plan shall identify and evaluate alternative procedures and methods (including land use requirements) to control, to the extent feasible, non-point sources contributing to water quality problems in Water Quality segments. The evaluation should consider the technical, legal, institutional, economic and environmental impact and feasibility of such procedures and methods. The most feasible alternative should be described in the basin plan. Data obtained from the basin plan monitoring program established pursuant to Subpart D of this part shall be employed in making the identifications and analyses required by this section.

§ 131.307 Establishment of residual wastes control process.

Each basin plan shall identify necessary controls to be established over the disposition of residual wastes from municipal, industrial, or other water or waste water treatment processing, whenever the processing or disposal occurs within the basin, and shall establish a process to control the disposal of pollutants on land or in subsurface excavations within the basin wherever such disposal causes or may cause violation of water quality standards or wherever such disposal materially affects ground water quality.

§ 131.308 Revisions to water quality standards.

(a) Each basin plan shall set forth the water quality standards and/or recommendations for revision of water quality standards, including the antidegradation statement, applicable to each body of water or segment in the basin, or shall include the legal citation of such standards.

(b) Recommendations for revisions of standards shall consider the objectives of the Act, as specified in section 101(a) of the Act, and the social, economic and technical, including natural, considerations for achieving these objectives.

(c) Each basin plan shall be revised as necessary to reflect revisions of the applicable water quality standards.

§ 131.309 Identification of relationship to other plans.

(a) Each basin plan shall evaluate the need for and recommend the planning area for future section 201 facilities plans or section 208 areawide wastewater management plans involving all or any part of the basin, and establish the strategy for the planning area, including waste load allocations and target abatement dates for significant dischargers included.

(b) Each basin plan shall identify the relationship, indicate the current status, and describe the extent of complementary influence of any other water quality or other applicable resource plan prepared or under preparation which involves all or any part of the basin, including:

(1) Each designated areawide waste treatment management plan under section 208 of the Act;

(2) Each facility plan for a proposed project for the construction of treatment works under section 201 of the Act;

(3) Each Level B basin plan pursuant to section 209 of the Act or Pub. L. 89–90; and

(4) Other applicable resoure planning including:

(i) State land use programs.

(ii) Activities stemming from the Coastal Zone Management Act (Pub. L. 92–583).

(iii) Activities stemming from the Rural Development Act of 1972 (Pub. L. 92–419).

(iv) Other Federally assisted planning and management programs.

(c) Areawide and facilities plans, when approved by the States, shall modify applicable portions of a basin plan with respect to:

(1) number and location of discharges, provided that the total waste load allocated to the facilities or areawide plan area by the basin plan is not exceeded;

(2) schedules of compliance or target abatement dates; and

(3) the assessment of facilities needs.

(d) Each basin plan shall identify separately each plan which has been integrated with the basin plan.

§ 131.310 Coordination of certain planning elements and terms of permits.

(a)(1) The States and EPA will use their best efforts to establish permit terms and conditions consistent with the applicable individual target effluent limitations and target abatement dates established in any approved basin plan; subject, however, to all the rights that the permit applicant and other interested persons may have under State or Federal law to contest such target effluent limitations and target abatement dates in permit issuance proceedings.

(2) The major milestones required to track basin plan implementation contained in each schedule of compliance for significant dischargers established by a permit shall be incorporated into the basin plan at the first revision of the basin plan which takes place following issuance of the permit.

(b) In a planning area where a basin plan is under development, permit terms and conditions proposed for any source and basin plan preparation shall be coordinated to assure that the basin plan reflects information developed in connection with the permit application and conditions for effluent limitations and a schedule of compliance proposed for the permit.

Subpart D—Monitoring and Surveillance

§ 131.400 Relationship of monitoring and surveillance program to basin plans.

(a) Each basin plan shall be based upon the best available monitoring and surveillance data, as set forth in this subpart, to determine the relationship between instream water quality and individual sources of pollutants and, where practicable, to determine the relationship between land disposal and ground water quality. Such data will facilitate implementation of the basin plan.

(b) Each basin plan shall contain for each Water Quality segment:

(1) A program to monitor the total stream pollutant loadings, including contributions for significant parameters from significant dischargers, which shall be related to the total maximum daily loads established by the basin plan pursuant to § 131.304; and

(2) A continuing program for monitoring in-stream water quality.

(c) In areas where a State determines that a ground water contamination problem exists or may exist from the disposal of pollutants on land, in subsurface excavations or deep wells, the State, to support the establishment of controls or procedures to abate such pollution as identified in § 131.307 shall conduct or require to be conducted by the disposing person or agency a monitoring survey or continuing program of monitoring to determine present or potential effects of such disposal, where such disposal is not prohibited.

(d) Additional description of the State monitoring program is set forth in Subpart B of Part 35 of this title.

§ 131.401 Coverage of monitoring and surveillance program.

In establishing the monitoring and surveillance program for discrete water segments, consideration shall be given to the severity of the pollution and applicable water quality standards and goals, including the use to be made of the waters.

§ 131.402 Use of monitoring surveys for basin plan development.

Each basin plan shall incorporate the results of any monitoring survey completed prior to the date of adoption of the basin plan which provides current data for the area covered by the basin plan. If current data are not available, the State should conduct an adequate monitoring survey to obtain the necessary data before completion of the basin plan.

§ 131.403 Frequency of monitoring surveys.

Each basin plan shall provide that a monitoring survey for the area within Water Quality segments covered by the basin plan will be repeated at appropriately defined intervals, depending on the variability of conditions and changes in hydrologic or effluent regimes. The survey intervals shall be stated in the basin plan.

§ 131.404 **Output of monitoring surveys.**

The monitoring survey shall produce sufficient information to support the planning for the area. Output shall include, but is not limited to, the following:

(a) A listing of all surface waters, by stream segment or water zone, which do not comply with applicable water quality standards.

(b) In Water Quality segments, a description of pollutant mass balances, including estimates of the total pollutant loads to be controlled in the segment.

(c) Input to the EPA water quality information system of basic data collected during the monitoring survey, and validation and correction of data available prior to the survey.

(d) A listing of stations, parameters, and frequencies to be monitored to provide compliance, progress measurement, and trend information required by this chapter.

(e) A proposed schedule, based on variability of stream quality, expected changes in flow and effluent regimes, or other information, for the subsequent monitoring survey to be undertaken in the same basin.

§ 131.405 **Water quality data from fixed stations; input to EPA information system.**

(a) Each basin plan may provide for the maintenance of a small number of permanent in-stream water quality trend evaluation stations at key locations in each basin to measure progress toward applicable water quality standards and goals, trends in water quality, and compliance with approved basin plans, and where provided, shall be used as a basis for completing the reports required by 305(b) of the Act.

(b) The operation of these stations shall continue after the completion of applicable monitoring surveys required by this subpart.

(c) The State shall input data from such stations to the EPA information system in such manner as the State and the Regional Administrator shall agree.

Subpart E—Completion and Review of Basin Plans; Relation of Permits and Grants

§ 131.500 **Basin plan adoption.**

Basin plans shall be officially adopted, after appropriate public participation as described in § 131.502 as the official water quality management plans of the State. Background data not required to be included in the basin plans need not be adopted, but should be made available upon request.

§ 131.501 **Certification.**

Each basin plan shall include assurances and a certification by the Governor or his designee, that the plan is the official State water quality management plan for the hydrologic unit covered by such plan, that the plan meets all applicable requirements of this Part 131 and Part 130 of this chapter and that the plan will be used for establishing permit conditions, target abatement dates and assessing priorities for awarding construction grants.

§ 131.502 **Public participation.**

(a) There shall be conducted, prior to the adoption or any substantive revision of the basin plan and after reasonable notice thereof, one or more public hearings on the proposed basin plan or on parts of the basin plan, in accordance with EPA regulations promulgated pursuant to section 101(e) of the Act.

(b) For purposes of this section:

(1) The term "public hearing" refers to a hearing in which three basic elements of public participation are present: Total public disclosure; planning agency representation; and sufficient opportunity for expression of views by the public. For the purposes of this section, a public hearing need not be an adjudicatory hearing. Further explanation of the public hearing process is contained in Part 105 of this chapter.

(2) The term "substantive" includes but is not limited to any significant revision of water quality standards, total maximum daily loads for Water Quality segments, load allocations for individual dischargers, effluent limitations, schedules of compliance, or target abatement dates.

(3) "Reasonable notice" includes, at least 30 days prior to the date of each hearing:

(i) Notice to the public by prominent advertisement announcing the date, time, and place of such hearing and the availability of the proposed basin plan for public inspection; and

(ii) Notification to the Regional Administrator.

(c) There shall be prepared and retained for submission to the Regional Administrator upon his request a record of each hearing. The record shall contain, at a minimum, a list of witnesses together with the text of each written presentation.

(d) There shall be submitted with the basin plan a description of any major controversy raised by the hearing and the disposition thereof.

(e) The number and location of hearings shall reflect the size of the planning area and its population and population distribution. Public participation and contribution shall be encouraged, commencing with the earliest possible stages of basin plan development and continuing throughout the period of the basin plan preparation, including revisions thereof. The State may conduct its public hearing on the basin plan simultaneously with public hearings on permits in the area covered by the basin plan or in conjunction with any other public hearing involving the significant revision of water quality standards, total maximum daily loads, load allocations, effluent limitations or schedules of compliance. If a public hearing was conducted on a segment of the basin plan for the purpose of the issuance of permits or significantly revising water quality standards, total maximum daily loads, load allocations, effluent limitations, or schedules of compliance, then this portion of the basin plan need not be subject to additional public hearings.

§ 131.503 **Submission of basin plans.**

Basin plan submission shall be accomplished by delivering five copies of the adopted portions of the basin plan to the Regional Administrator, together with a letter from the Governor, or his designee, notifying the Regional Administrator of such action.

§ 131.504 **Review and approval or disapproval of basin plans.**

The Regional Administrator shall approve or disapprove the basin plan submitted pursuant to § 131.503 within 30 days after the date of submission as follows:

(a) If the Regional Administrator determines that the basin plan conforms with the requirements of the Act, this part, the continuing planning process and contiguous plans including neighboring States' plans, he shall notify the Governor or his designee by letter.

(b) If the Regional Administrator determines that the basin plan fails to process or contiguous plans including Act, this part, the continuing planning conform with the requirements of the those of neighboring states, he shall notify the Governor or his designee by letter and shall state:

(1) The specific revisions necessary to obtain approval of the basin plan; and

(2) The time period for resubmission of the basin plan.

(c) Where basin plans involving interstate waters are found to be incompatible, the Regional Administrator shall notify the Governor of each concerned State of the specific areas of incompatibility.

§ 131.505 **Revision of basin plans.**

(a) At a minimum, the State shall revise each basin plan within five years of the last approval date. The basin plan shall be revised such that it remains a meaningful water quality management document for the five-year period following the revisions. Revisions on a more frequent basis should be made where significant changes occur within the basin. Revisions shall include, but not be limited to, the most current and realistic information on compliance schedules or target abatement dates, construction grant needs and priorities, and waste load allocations. In addition, the basin plan shall be revised such that its increase in scope is in accordance with § 131.202.

(b) Revisions of the basin plan shall be adopted after reasonable notice and public hearings as prescribed in § 131.502.

(c) Revisions shall be submitted in accordance with § 131.503.

(d) Review and approval or disapproval of basin plan revisions shall be carried out in accordance with § 131.504.

§ 131.506 **Prohibition of approval of certain basin plans; withdrawal of process approval.**

The Regional Administrator shall not approve any basin plan that does not conform with the appropriate require-

ments of section 303(e), 208(b)(2)(F–K), 303(d), and 314(a) of the Act, the continuing planning process, and this part. Substantial failure of any basin plan to conform with the applicable requirements of section 303(e) of the Act and of this part may indicate that the planning process by which such basin plan was developed was deficient and may result in withdrawal of approval of the planning process, or portions thereof, relating to such basin plan. Approval of the State's participation in the National Pollutant Discharge Elimination System may be withdrawn if the process is not fully approved.

§ 131.507 Prohibition of certain construction grants.

Before approving a grant for any project for any treatment works under section 201(g) of the Act, the Regional Administrator shall determine, pursuant to § 35.925–2 of this chapter, that such works are in conformity with any applicable basin plan approved in accordance with this part and Part 130 of this chapter. Disapproval by the Regional Administrator of a basin plan, or relevant portion thereof, for the area where a project is to be located may constitute grounds for not approving a grant for such project, if the disapproval of the basin plan, or relevant portion thereof, is directly related to the project.

§ 131.508 Discharge permit terms and conditions.

Each permit issued under the National Pollutant Discharge Elimination System to any source covered by the basin plan shall be prepared in accordance with the basin plan, as provided in § 131.310. Failure of any permit to conform with the requirements of this section may constitute grounds for the Regional Administrator or the Administrator to object to the issuance of such permit.

§ 131.509 Separability.

If any provision of this part, or the application of any provision of this part to any person or circumstance, is held invalid, the application of such provision to other persons or circumstances, and the remainder of this part, shall not be affected thereby.

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PART III

DEPARTMENT OF AGRICULTURE

Soil Conservation Service

■

ENVIRONMENTAL IMPACT STATEMENTS

Guidelines for Preparation

Title 7—Agriculture

CHAPTER VI—SOIL CONSERVATION SERVICE, DEPARTMENT OF AGRICULTURE

SUBCHAPTER F—SUPPORT ACTIVITIES

PART 650—PREPARATION OF ENVIRONMENTAL IMPACT STATEMENTS—GUIDELINES

On November 19, 1973, the Soil Conservation Service (SCS) published in the FEDERAL REGISTER (38 FR 31909) for comment, proposed guidelines for Preparation of Environmental Impact Statements in compliance with the National Environmental Policy Act (NEPA) (42 U.S.C. 4321 et seq.), in accordance with the guidelines of the Council on Environmental Quality (CEQ) appearing as 40 CFR Part 1500, published in the FEDERAL REGISTER August 1, 1973, (38 FR 20549) and the guidelines of the Department of Agriculture appearing May 29, 1974 (39 FR 18678).

Written comments received on the proposed SCS guidelines published in the FEDERAL REGISTER, November 19, 1973 were given full consideration in developing the final guidelines. SCS also consulted extensively with CEQ, the Secretary's Office, and other agencies in finalizing the guidelines. The full text of all comments received are on file and available for public inspection in Room 5125, South Building, U.S. Department of Agriculture, Washington, D.C. 20250.

Most suggestions made for clarification and improved editing were accepted. More substantive comments received and their considerations follow:

1. Section 650.3(b) Policy. Comment suggested that responsibility of SCS in relation to applicants be more specifically stated.

We agree and the language has been changed to state that if SCS determines that NEPA requirements are not being met by an applicant, SCS assistance will be withheld.

2. Section 650.3(c) Policy. Comment suggested that consideration and assessment of environmental quality and impacts begin at the onset of and continue throughout the planning process.

We agree and appropriate changes were made.

3. Section 650.5(a) Environmental Assessment. Comment suggested that Federal, State, and local standards are inviolate constraints on the planning process.

We agree in principle. Wording was added which states that the planning process is to be carried out in accordance with Federal, State, and local laws and regulations.

4. Section 650.7(b) Public Involvement and Coordination, Public Meetings. Comment suggested that assignment of responsibility for determining when public meetings were needed and to be held was not clear.

We agree and wording was added which states that the State Conservationist, after consultation with the applicants, will determine when public meetings are to be held.

5. Section 650.7(c) Public Involvement and Coordination, Public Hearings.

Same comment and consideration as for 4.

6. Section 650.7(d) Public Involvement and Coordination. Comment suggested SCS make more use of public notices in newspapers to advertise public meetings and public hearings.

We agree and language was added to specify that public meetings and public hearings will be advertised by public notices published in local newspapers, and that the State Conservationist is responsible to make certain that public notice requirements are fulfilled.

7. Section 650.8(a) SCS actions covered and excluded. Comment suggested that actions in this section would require an environmental impact statement.

We agree and the modifier "normally" was stricken and language added to clarify that actions under any of the conditions—(1) require approval by congressional committee; (2) provide for channel alignment or capacity of any perennial stream; or (3) are expected to be highly controversial because of environmental aspects—require preparation of an environmental impact statement.

8. Section 650.8(b) Actions covered and excluded. Other major SCS federally assisted actions which may or may not require an EIS. Comment suggested that the environmental factors—erosion and sedimentation, water table alterations, change in flow regime, changes in land use, and changes in air quality—be added to the list of factors to be assessed.

We agree and the suggested factors were added.

9. Section 650.8(b)(2) SCS actions covered and excluded. Other major SCS federally assisted actions which may or may not require an EIS. Actions authorized prior to passage of NEPA. Comment suggested that all projects that include channelization and impoundments be subject to the EIS procedure and that criteria, standards, and procedures should be developed and used to maintain important aquatic areas in any project. Comment further suggested that the SCS stream classification system was inadequate in judging the need for writing an environmental impact statement. Comment also recommended that easements and rights of way not be considered as a financial commitment until construction has progressed to the point where the land is unsuited for its prior use.

The actions authorized prior to passage of NEPA are subject to the same procedures for determination of need for an EIS as those in §§ 650.8(a) and 650.8 (b)(1). They provide for environmental assessments and determination of need for an EIS for all channels and impoundments as well as all other actions which may be involved. All projects and project measures which involve major federal actions will be covered either by an EIS or by a negative declaration as provided in § 650.8. We believe the Proposed Guidelines in total provide adequate criteria, standards and procedures for considering and minimizing the impact of any project assisted action on important aquatic areas. We also have criteria, standards and procedures for the consideration of enhancement of important aquatic areas including those on which no project impact is anticipated. We encourage applicants to take advantage of opportunities to include project measures in the latter category, although we have no basis for insisting that they do so. Even for aquatic areas in projects that are small in size and scope, not controversial, and with other than perennial streams, § 650.8(b) requires a broad and comprehensive range of conditions to be assessed, which may result in the identification of significant adverse impacts requiring an EIS.

The stream classification system indicated here is among the factors to be used in describing the surface water resources of the watershed. The channel classification system will show whether a stream is perennial, intermittent or ephemeral, natural or man-modified. The Soil Conservation Service believes that such inventories are useful for developing an understanding of the environmental setting of the watershed. Again, the action would be subject to a comprehensive assessment to identify significant impacts which would require an EIS.

Easements and rights-of-way as a form of local financial commitment constitute only one of several criteria which, in addition to an environmental assessment, will be used to determine whether the action to be taken on older projects constitutes a major federal action requiring an EIS. Such a commitment is not a basis for an automatic exclusion. We cannot agree that donation of a land right implies no financial value or commitment. Land rights are transferred from the landowner to the applicant organization by a binding legal document, which may be a fee title deed or an easement. The land right transferred constitutes a substantial financial commitment.

We concur that the commitment is not made until the land right document is executed and this is the intent of the Guidelines.

With this explanation, the recommendations were not adopted for inclusion in the Proposed Guidelines.

10. Section 650.8(b)(3) SCS actions covered and excluded. Negative declaration. Comment took exception with the use of negative declarations as a means of meeting the requirements of NEPA.

The use of negative declarations is an established procedure under CEQ Guidelines (38 FR 20552), § 1500.6(e) for meeting the requirements of NEPA. Federal agencies other than SCS have been using this procedure for some time. SCS guidelines § 650.8(b)(3) have been amended to provide for publication of the negative declaration in the FEDERAL REGISTER, a 15 day waiting period following such notice. Statements of negative declarations will be provided to the same parties that receive draft EIS's as specified in § 650.9(b).

In addition, based on consultation and administrative deliberation, provision is made to determine the need for an EIS or negative declaration for an independent portion of a watershed project approved prior to NEPA and which is under operations. An independent portion is one not dependent from an environmental, engineering, or economic standpoint, on the remaining project. In such cases, the negative declaration shall set forth those portions on which construction will be undertaken and those which will not be undertaken until an EIS is prepared.

11. Section 650.8(c) Actions covered and excluded. Actions normally excluded from the preparation of EIS's. Comment suggested that items listed are not as clear-cut as the proposed guidelines imply and items, (1) conservation land treatment, (5) consolidation and rehabilitation of existing irrigation and drainage systems, and (6) individual measures or works of improvement covered by a program statement, were objected to.

We concur that the environmental significance of some of the items listed is not always clear, and for this reason have retained the qualifiers "normally" and "generally." With respect to conservation land treatment, item (1), we have found no other satisfactory way to cover this broad range of actions.

It is recognized that item (5) is ambiguous and may be construed more broadly than intended. It has been changed as follows: "(5) Consolidation and rehabilitation of existing irrigation systems including the associated drainage measures which are integral parts of the irrigation systems."

Item (6) has been deleted.

In addition, wording has been added to clarify that items (1)–(5) are excluded from the EIS process and negative declarations, unless they are included in a proposal requiring an EIS as specified in paragraphs (a) and (b)(1) of this section.

12. Section 650.8(d) Actions covered and excluded. Program statements. Comment requested definition of a program EIS and objected to program statements for similar contiguous projects.

Program EIS's are defined in CEQ Guidelines, (38 FR 20552), § 1500.6 (d)(1). If any individual project or measure is controversial, it will be covered by an EIS. Courts have encouraged "program statements" for similar contiguous projects, particularly highway projects.

Comments also requested a program statement be prepared for emergency watershed work.

SCS has prepared a draft program statement for emergency watershed work. It has been filed with CEQ and distributed for review and comment.

13. Section 650.10(d) EIS Format and Content. Statement of reasons. Comments suggested that this requirement be dropped because of its being repetitious of the EIS.

The signing of the draft and final EIS by the SCS responsible federal official together with the requirements of the final guidelines make the "statement of reasons" unnecessary. The suggestion was accepted and this section was dropped.

14. Section 650.11 Reviewing and commenting on EIS's prepared by others. Comment suggested addition of an item (14) floodplain considerations.

We agree and the item has been added.

14. Appendix III. Typical Outline for Environmental Impact Statement for Complex Watershed. Outline is to be suggestive and flexible. Comments made were as follows:

III(C)(1) Comment:

This section should contain a full discussion of the beneficiaries, desires and objectives of the local sponsors, institutional arrangements, and rates of cost-share. For example, land treatment, such as terraces, would (1) be of primary benefit to the public, (2) have a cost-share rate of 30+ percent (rate under existing programs), (3) be generally applied at a slow rate of landowners (less than 50 percent of land adequately treated nationwide after 40 years of cost-sharing), and (4) lack any legal authority for requiring installation. This situation should be compared to other project features such as channelization for flood control and drainage. Channelization is highly desired by the local sponsors, has local benefits, is cost-shared at a high rate (100 percent for flood control, 50 for drainage, and if combined usually exceed 90 percent), and the local sponsors have authority to condemn land for its installation. The expected rates of application of the watershed protection features (land treatment, structural measures, etc.) should be discussed in light of the program features and incentives outlined above.

There appears to be some misunderstanding involved in this comment.

Section III(C) (1) through (8) has been rewritten and condensed. As previously presented, more information than was appropriate was indicated in this section. It has been decided that it would lead to duplication and detract from the introductory stage setting objective of this section.

This section concerns a summary of the goals established for the planned project. Trends and other factors influencing the achievement of adequate land treatment and other project measures (and nonstructural measures in the case of flood protection) will be described in subsequent sections. Information concerning beneficiaries is discussed under Economic and Social effects. Institutional arrangements are to be covered under Planned Project. Generally, the factors recommended for discussion are among those we expect to discuss in the appropriate places under the present wording in the proposed Guidelines. Cost-sharing comparisons between purposes, or between land treatment and structural or nonstructural measures, are not relevant in this section. Cost-sharing for land treatment may vary from year to year and from one agency program to another.

III(C)(3) Comment:

"This section requires additional discussion in EIS's. Although references are found to various sections of the proposed rules for identifying secondary and cumulative effects, the emphasis appears to be on socio-economics. Therefore, the special attention should be given in Section III(C)(3) to the specific secondary, indirect and/or cumulative impacts of private landowners using federally financed channels as outlets for private on-farm drainage of wetlands and bottomland hardwoods. The EIS should discuss, in detail, documented drainage in other projects and the institutional arrangements (or lack of them) that permit or restrict such use of channels after the local sponsors assume responsibility for operation and maintenance.

Section III(C)(3) addresses goals for drainage as a project purpose. Most of the recommendation concerns impacts rather than goals. Instructions for the impact discussion appear under item V, and include primary and secondary, short-term effects and impacts, both beneficial and adverse. Cumulative impacts are to be addressed under item VII.

The Soil Conservation Service expects to analyze each potential impact until a supportable conclusion is reached regarding it, for which the basis will be described in the EIS. Documented drainage in other projects, as applicable, will be part of the evidence considered in this analysis.

As additional clarification in response to the recommendation, the Planned Project section D3.d(6) is modified by adding another example, to read as follows:

(6) Features or provisions to minimize fish and wildlife losses and other adverse effects. Describe measures or means provided to prevent private landowners using federally cost-shared channels as outlets for private on-farm drainage of wetlands or bottomland hardwood habitat.

III(C)(5) Comment:

While it is essential to describe the goals to be achieved in preserving, improving, and developing fish and wildlife habitat, more information is needed in future EIS's. Fish and wildlife preservation and development should be discussed relative to who is responsible for achieving these goals and what legal requirements are imposed to insure that the goals are met. In addition, the goals for maintaining, improving, and developing fish and wildlife habitat must be balanced against both direct and indirect losses that will occur. For example, if 300 acres are to be maintained, improved, and/or developed, and on the other hand 1,000 acres of such habitat will be lost directly or indirectly due to installation of the works of improvement, a net loss of fish and wildlife habitat should be acknowledged. When this happens, fish and wildlife should not be claimed as a project benefit, regardless of the fact that some habitat is left in the project area. The same criteria should apply to all other resources in the project area.

This recommendation concerns matters which are not relevant to this section. Information on who will meet the goals, by what measures, what legal requirements, and with what impacts, are pertinent to subsequent sections of the EIS. The Soil Conservation Service believes the Proposed Guidelines adequately provide for the recommended information and that no change is needed.

III(D)(2) Comment.

This section describes such nonstructural measures as flood plain zoning, land acquisi-

tion and restrictive easements, among others. The opportunity for securing perpetual easements in flood plains (as well as wetlands) should be included. Title X of the Agricultural and Consumer Protection Act of 1973 authorizes the Secretary of Agriculture to take such easements. However, easements are not mentioned in the proposed rules.

SCS believes and intends that "land acquisition or restrictive easement" as quoted from the Proposed Guidelines covers perpetual or other easements for flood plains or wetlands. Sponsors will be encouraged to use the perpetual easement and other portions of the RECP program or other such authorities that may be available to the Secretary of Agriculture.

To clarify this portion of the Proposed Guidelines in response to the recommendation, the word "right" is being inserted into this section so the term in question will read "land right acquisition and restrictive easement." A land right may range from fee title acquisition to any form of legal interest in the land.

III(E)(1)(f) Comment:

The emphasis on the SCS's stream classification in this section bears little resemblance to environmental problems related to channelization. WMI's objection to the use of this classification was discussed in detail earlier. The stream classification system is inadequate.

SCS does not contend that this system, by itself, is a sufficient indication of environmental values or potential problems. Items III(E) (1) through (8), all in the Environmental Setting part of the EIS, are intended to provide comprehensive consideration of all such values. III (E)(4), for example, provides subcategories a. through f. for presentation of data relative to Plant and Animal Resources.

No change was made.

V(2) Comment:

In addition to changes in water quality resulting from sedimentation, changes in stream regimen, etc., future EIS's should discuss changes in quality of the receiving waters from drainage of wetlands. Research has clearly established that wetland drainage releases large amounts of nutrients that are responsible for eutrophication of receiving lakes and streams. This relationship must be discussed where direct and indirect wetland drainage takes place.

SCS does not agree that research has clearly established that all wetland drainage releases large amounts of nutrients, but we agree that quality of receiving waters should be discussed. This will be added to the list of suggested items.

15. Equal Opportunity. Comment received suggested that consideration to impacts on minority and low income persons be included under socio-economic impacts and in relation to relocation, etc.

SCS agrees and appropriate language has been developed in consultation with the Office of Equal Opportunity, Department of Agriculture, and inserted in the Guidelines.

SCS herewith publishes its final guidelines which are to be effective June 3, 1974.

Dated: May 29, 1974.

KENNETH E. GRANT,
Administrator,
Soil Conservation Service.

Sec.

650.1 Purpose.
650.2 Scope.
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650.5 Environmental assessment in the planning process.
650.3 Obtaining information required for environmental impact statements.
650.7 Public involvement and coordination.
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650.9 Numbering, distributing for comment, and time limits.
650.10 Environmental impace statements format and content.
650.11 Reviewing and commenting on environmental impact statements prepared by other federal and nonfederal agencies.

Appendix I—Flow Chart—"Planning Process—Projects Requiring Congressional Committee Approval."
Appendix II—Interagency Review List of Agencies and Number of Copies.
Appendix III—Format—Environmental Impact Statements.

AUTHORITY: Pub. L. 91-190, 83 Stat. 852 (42 U.S.C. 4321); EO 11514, 35 FR 4247; 38 FR 20550.

§ 650.1 Purpose.

This part prescribes Soil Conservation Service (SCS) policy, procedures, and guidelines for the preparation, coordination, and review of Environmental Impact Statements (EIS's) as required by section 102(2)(C) of the National Environmental Policy Act (NEPA) of 1969 (Pub. L. 91-190, 83 Stat. 852 (42 U.S.C. 4321 et seq.)), the Council on Environmental Quality Guidelines for Environmental Impact Statements, August 1, 1973 (38 FR 20550-20562), and Secretary of Agriculture Memorandum 1695, Supplement 4, as revised (Environmental Impact Statements).

§ 650.2 Scope.

This part applies to those activities of the SCS identified in § 650.8 as major federal actions significantly affecting the quality of the human environment. This part also applies to SCS responsibilities for reviewing and commenting on EIS's prepared by other federal and nonfederal agencies. The goals and policies of NEPA supplement the goals and policies in existing authorizations for SCS programs.

§ 650.3 Policy.

(a) *SCS mission.* The SCS mission is to assist in the conservation, development, and productive use of the Nation's soil, water, and related resources so that all Americans may enjoy:

(1) Quality in the natural resource base for sustained use;

(2) Quality in the environment to provide attractive, convenient, and satisfying places to live, work, and play; and

(3) Quality in the standard of living based on community improvement and adequate income.

(b) *General.* SCS administers its programs by furnishing assistance to individuals, groups, organizations, cities, towns, counties, state governments, and other decision makers in formulating and implementing their land use and soil and water conservation programs and plans. Thus, SCS activities are federally assisted actions. The environmental assessment and EIS process should be carried out in harmony with the activities and procedures of those to whom assistance is provided to the extent that SCS responsibilities and standards are not compromised. If SCS determines that NEPA requirements are not being met by an applicant, SCS assistance will be withheld.

(c) *Assessing environmental quality and impacts of proposed actions.* Initial environmental considerations begin at the onset of, and detailed environmental assessment continues through, the planning process. Before deciding on a major federal action that significantly affects the quality of the human environment, SCS will, in consultation with other appropriate federal, state, and local agencies, and the public, assess in detail the potential environmental impact. The purpose of the assessment is to avoid or minimize adverse effects whenever possible and to restore or enhance environmental quality to the fullest extent practicable. Alternative actions that will avoid or minimize adverse impacts are to be explored. Both long- and short-range implications of a proposed action to man, his physical and social surroundings, and to nature are to be evaluated. Assessments of environmental impacts of a proposed action are to be undertaken concurrently with initial technical and economic studies. Where required, an EIS is to be prepared and circulated for comment. Draft EIS's on administrative actions are to accompany the proposal through the agency formal review processes and are to be concurrently submitted to CEQ and made available to the public.

(d) *Responsible federal officials.* The SCS Administrator is the responsible federal official for purposes of carrying out NEPA for all major SCS federally assisted actions which will affect more than one state, including EIS's needed for programs, legislation, legislative reports, regulations, and policy. On specific projects or measures such as a watershed project which affects more than one state, the Administrator will name a state conservationist to take the lead as the responsible federal official. State conservationists are the responsible federal officials for purposes of carrying out NEPA for all other major SCS federally assisted actions, including watershed projects, resource conservation and development (RC&D) measures, and program EIS's which cover several similar actions within a state. The Administrator and state, area, and district conservationists have responsibilities for assuring compliance with NEPA policy and for excellence of technical assistance, utiliz-

ing procedures which provide for and encourage involvement of individuals, groups, and units of government, including local, state, and federal agencies in the planning process and decisionmaking, and for encouragement and promulgating procedures which provide for interdisciplinary technical assistance.

(e) *Interdisciplinary planning.* SCS uses an interdisciplinary planning process in which individuals or groups having different technical expertise jointly assess resource conservation opportunities. Those making the joint assessment, together with interested individuals and groups, determine data needs, quality standards to be achieved or to be maintained, and alternative courses of action. The number of discipline groups and agencies to be represented is dependent upon the complexity of problems, diversity of natural resources, and the economic, social, and environmental impacts of the alternative actions. Effective interdisciplinary planning is closely related to public involvement in the planning process.

(f) *Consultation with and response to requests of the Council on Environmental Quality (CEQ).* SCS consults with CEQ on policies, procedures, and the quality of EIS's. Careful consideration will be given to requests by CEQ for reports, other information, and action relating to implementation of NEPA.

(g) *Monitoring.* It is SCS policy to monitor programs and projects as necessary to assure compliance with the requirements of NEPA and to cooperate with other agencies in determining that environmental safeguards are executed according to plans.

§ 650.4 References.

Availability in SCS. Information and references pertaining to the guidelines for preparation, coordination, and review of EIS's required by the procedure for carrying out NEPA are available to all SCS field, area, state, and technical service center (TSC) offices, and the national office. The information and references are for the use of SCS employees as guidelines for planning, assessing, and preparing EIS's. The following information and references are to be maintained in or available to all SCS offices for review by others having an interest in or a use for the information:

National Environmental Policy Act of 1969 (Pub. L. 91–190).
Executive Order 11507, "Prevention, Control, and Abatement of Environmental Pollution at Federal Facilities."
Executive Order 11514, "Protection and Enhancement of Environmental Quality."
Guidelines for Statements on Proposed Federal Actions Affecting the Environment, Council on Environmental Quality (CEQ).
Section 309 of the Clean Air Act Amendments of 1970 (Pub. L. 91–604).
Right of the Public to Information Act (Pub. L. 89–487).
National Register of Historic Places, National Park Service.
Section 106 Requirements, National Historic Preservation Act (Pub. L. 89–665).
Executive Order 11593, "Protection and Enhancement of the Cultural Environment."
Procedures for the Protection of Historic and Cultural Properties, Advisory Council on Historic Preservation.
Act for preservation of historical and archeological data (Pub. L. 86–523).
Secretary of Agriculture Memorandum 1695, Supplement 4, as revised.
Office of Management and Budget (OMB) Circular A–95.

§ 650.5 Environmental assessment in the planning process.

(a) *General.* Environmental values and studies of probable impacts are given the same consideration throughout the planning and decisionmaking process as economic, engineering, and social values. Environmental assessment is an integral part of the planning process as illustrated in Appendix I of this part. The decision whether to prepare an EIS may be made during the application, preliminary investigation, or detailed planning stage based on the factors in § 650.8. However, the need for an EIS is to be determined as early as possible, usually immediately following the preliminary investigation stage. As soon as adverse impacts are identified in the application, preliminary investigation, or detailed planning stage, consideration is to be given to alternatives and measures which will avoid or minimize such impacts, if any. The planning process is to be carried out in accordance with federal, state and local laws and regulations.

(b) *Application stage.* When SCS first considers an application from or extends assistance to an applicant or other interested groups, full attention to and discussion of environmental values, probable impacts, and concerns are required. Sufficient information is to be gathered, analyzed, and then presented and discussed in at least one general public meeting to identify broad environmental aspects involved and the degree of public interest.

(c) *Preliminary investigation or feasibility study stage.* Following approval of the application, SCS conducts preliminary investigations and feasibility studies with participation of applicants, other agencies, and interested parties. Coordination and consultation relating to statutory requirements referred to in § 650.4 will begin at this stage if not previously initiated. "Environmental assessment is an integral part of the preliminary stage of planning." This includes a description of the present environment, trends, and preliminary evaluation of the impact of possible alternative actions. Findings of the preliminary studies and environmental assessment are to be presented and discussed at public meetings. The results of the preliminary investigation and the following public meetings at which results are discussed are to be considered in deciding whether to proceed with planning.

(d) *Detailed planning stage.* Following a decision to proceed with planning, SCS conducts detailed field studies, including additional studies on environmental impacts of alternatives. Expertise outside SCS is solicited and, when necessary, special contracts may be negotiated. Information needed to develop a draft plan and draft EIS is obtained in this stage and is to be discussed during public meetings.

(e) *Formal review process.* The draft EIS is circulated for formal review and comment as outlined in § 650.9.

§ 650.6 Obtaining information required for EIS's.

(a) *Interdisciplinary effort.* SCS utilizes a systematic, interdisciplinary approach to insure the integrated use of the natural, physical, and social sciences, and the environmental design arts in furnishing assistance for planning and decisionmaking which has an impact on man's environment. Where relevant disciplines are not represented on SCS staffs, appropriate assistance is to be obtained from federal, state, and local agencies and private sources.

(b) *Use of available data.* SCS will make full use of available survey and inventory reports, existing plans and publications which bear directly on a particular situation, and the environmental facts involved. Data sources are to be cited in the EIS.

(c) *Assessment.* An environmental assessment is to be made at the earliest stages of planning to identify potentially significant environmental factors that may be affected by the proposed action. This study will serve to further indicate types of data needed for more detailed study of environmental values when significant impacts on the environment are indicated. As needed, onsite environmental assessments are to be made using both SCS and other available expertise to quantify, qualify, and rate the present environmental setting in terms of the major factors and to predict probable impacts of alternative actions.

(d) *Study by others.* If data needed to identify environmental values and the impacts of alternative actions are not available from SCS sources, including the environmental assessment, or from other agencies or organizations with special expertise and responsibility, SCS will enter into arrangements with qualified organizations or individuals to produce needed data. Studies will be designed, to the extent feasible, to produce data to serve the widest possible base of use, both for the immediate action being considered and subsequent similar situations.

§ 650.7 Public involvement and coordination.

(a) *General consideration for developing public improvement*—(1) *Identification of individuals, groups, organizations, and agencies.* Public involvement must begin with the initial steps to formulate an action. The state conservationist is to keep a list of all groups, organizations, and governmental agencies which are or may be interested in the project for use by applicants and SCS. Criteria to be used in identifying individuals, groups, and organizations include those who:

(i) May be affected by the project, including landowners in a watershed or planning area;

(ii) Represent the needs and interests of a community;

(iii) Have views important to balanced planning (important key leaders or organizations may not be directly affected, but their involvement can be vital); or

(iv) Have expressed interest in the project.

(2) *Documentation.* Chronological and historical notes on public involvement are to be maintained. These notes will be a part of the working file and will serve to document all formal and informal meetings involved in planning the project. The notes will briefly identify major individual participants, organizations represented, the numbers of people attending meetings, and the substance of the meeting. Especially important is the documentation of discussions and concerns about environmental issues. These planning and implementation notes form important evidence of public involvement and will be available for public inspection. In some cases, verbatim transcripts of formal hearings or meetings are appropriate.

(b) *Public meetings.* Several types of public meetings may be used by applicants and SCS to encourage public involvement. The state conservationist, after consultation with the applicant, will determine when public meetings are to be held. Environmental information will be presented and discussed along with appropriate other information at public meetings. This information is to be made available prior to the meetings. If a preliminary draft or draft EIS has been prepared, it will be available at least 15 days before the public meetings. Meetings may include:

(1) Information-gathering meetings to help identify local issues, environmental values and concerns, specific problems, the general public attitude toward the undertaking, and to develop information needed for planning;

(2) Evaluation meetings for assessing economic, social, and environmental impacts and developing alternatives; and

(3) Plan-presentation meetings to provide opportunities for people to understand and evaluate proposed project plans and the environmental impacts.

(c) *Public hearings.* Recorded public hearings are to be held jointly by SCS and applicants if necessary to achieve public involvement and understanding of alternative project proposals or if justified by public interest. The state conservationist, after consultation with the applicants, will determine if a public hearing, or hearings, is necessary and when it is to be held. Information available on environmental assessment, the draft EIS's, or project formulation will be made available to the public at least 15 days prior to the time of such hearings, or as specified by state law. In deciding whether a public hearing is appropriate, state conservationists and applicants should jointly consider:

(1) Requirements of state or local laws;

(2) The magitude of the proposal in terms of environmental impact, costs, the geographic area involved, and size of commitment of the resources involved;

(3) The degree of controversy or opposing views likely to surface at the hearing;

(4) The degree of interest in the proposal as evidenced by requests from the public and from federal, state, and local authorities that a hearing be held;

(5) The complexity of the issue and the likelihood that information presented at the hearing would not otherwise be available to SCS in fulfilling its responsibilities under NEPA; and

(6) The extent to which public involvement has been achieved through other means, such as public meetings with citizen representatives, and written comments on the proposed project.

(d) *Public notices.* Public notice of each public meeting and public hearing discussed in paragraphs (b) and (c) of this section, except as hereinafter provided, is to be advertised in local newspapers on three different days at least 15 days prior to the date of the meeting or hearing and mailed to the interested individuals, groups, organizations and agencies referred to in paragraph (a) of this section at least 15 days prior to the meeting or hearing. The notice shall contain specifics of the project or program proposal, the date, time, and location of the meeting or hearing, and where information as to the environmental considerations and impacts of the proposed project may be obtained prior to as well as after the meeting. Where arrangements for such notification are the responsibility of local sponsors, it is the responsibility of the state conservationist to make certain that these public notice requirements have been properly fulfilled. Where official action by the local sponsors on the matters considered at a meeting or hearing is governed by state statute, the public notice and mailing requirements of this section may be modified as necessary to comply with the state statute.

(e) *Availability of EIS's.* Draft and final EIS's will be made available to the public by the responsible federal official. Enough copies of the EIS are to be printed to meet the anticipated demand of agencies, organizations, and individuals who must receive copies as required by CEQ Guidelines and to satisfy a reasonable number of additional requests. SCS will place a notice in the Federal Register both for draft and final EIS's to advise the public of proposed activities and where copies of the EIS's may be obtained.

§ 650.8 SCS actions covered and excluded.

(a) *Actions which require an EIS.* EIS's will be prepared for all watershed projects or RC&D measure plans under any of the following conditions:

(1) Require approval by congressional committees;

(2) Provide for modification of channel alignment or capacity of any perennial stream, including standing or backwater channels; or

(3) Are expected to be highly controversial because of the environmental aspects.

(b) *Other major SCS federally assisted actions which may or may not require an EIS.* Actions which do not fall under criteria established by paragraphs (a) or (c) of this section will require a decision by the responsible federal official whether to prepare an EIS based on individual considerations. The decision is to be based on an appropriate environmental assessment of environmental factors and significant effects, including beneficial and adverse effects. Significant adverse effects may be those which degrade the environment for any significant period of time, curtail the use of various environmental resources, or serve only short-term needs. Assessment is to cover secondary effects such as socio-economic impacts as well as direct effects.

(1) Identifying major federal actions which may or may not significantly affect the environment. At least the following environmental factors are to be assessed by the responsible federal official in each project or measures planning area as appropriate where an EIS is required or to determine whether an EIS is needed:

Erosion and sedimentation.
Water table alterations.
Change in flow regime.
Changes in land use.
Changes in air quality.
Upland wildlife habitat.
Bottomland wildlife habitat.
Migration routes.
Bottomland hardwoods.
Stream fisheries including potential not presently productive.
Wetlands.
Rare or endangered animals and plants.
Natural perennial streams.
Man-altered perennial streams.
Natural intermittent streams.
Man-altered intermittent streams.
Archeological and historical resources.
Water quantity.
Water quality, including receiving waters.
Appearance of the landscape.

In addition, the degree of public interest, potential controversy, urban or rural setting, and economic and social impacts should be assessed. Factors are to be quantified and qualified to the extent practicable as to the total amount in the planning area, the amount affected by the proposed actions, and the percent of the total resource in the planning area which will be affected. No single or multiple set of factors can give the absolute answer. The data, once assembled for a planning unit, will provide an indication of the probable impact and aid in making a judgment as to whether an EIS is needed.

(2) Actions authorized prior to passage of NEPA. In addition to a detailed assessment of actions such as those named in paragraph (b)(1) of this section, the following elements may also be given consideration by the state conservationist in accordance with § 1500.13 of the CEQ Guidelines (38 FR 20556) in determining whether the action yet to be taken, or independent portions thereof, constitutes a major federal action which

will require preparation of an environmental impact statement:

Total construction costs, including federal and local share.
Degree of completion of planned work and amount remaining to be done.
Local financial commitments, including easements and rights-of-way.
Degree of public involvement.
Consideration of environmental quality in project formulation.

(3) Negative declaration. On SCS major federally assisted actions such as watershed projects or RC&D measures where an eivironmental assessment indicates that all or independent portions of such projects are not likely to have a significant adverse impact on the environment or elicit controversy, a negative declaration is to be prepared by the state conservationist as soon as practicable following his decision. Independent portions are those that are not dependent, either from an environmental, engineering, or economic standpoint, on the remaining project, and are to be considered only for projects authorized prior to NEPA. At this time the state conservationist will also consider the need for actions to comply with statutory requirements, other than those in NEPA, referred to in § 650.4. The negative declaration will briefly describe the proposed activity, state the reasons for concluding that there will be no significant adverse impact, state that no EIS is to be prepared, and designate where the environmental assessment is available for public inspection. If construction is to be undertaken on independent portions of projects which do not contribute to the need for an EIS on the remaining project, the negative declaration shall set forth those portions on which construction will be undertaken and those which will not be undertaken until an EIS is prepared. Circulation of a negative declaration will be the same as for draft EIS's as provided in § 650.9(b). A news release is to be submitted by the responsible federal official to local papers and other appropriate media informing the public that an impact statement will not be prepared on a particular project. SCS will place a notice in the FEDERAL REGISTER concerning the negative declaration. No administrative action on implementation of the proposal is to be taken for 15 days after the notice of negative declaration is published in the FEDERAL REGISTER. The environmental assessment is to be kept on file in the originating office for public inspection. A list of actions on which EIS's will not be prepared will be maintained by the state conservationist.

(c) *Actions normally excluded from the preparation of EIS's.* Proposals covering only the following types of actions are not generally defined as major federal actions significantly affecting the human environment. These actions are excluded from the EIS process and negative declarations, unless they are included in a proposal requiring an EIS as specified in paragraphs (a) and (b)(1) of this section:

(1) Conservation land treatment.

(2) Nonstructural flood plain management practices.

(3) Critical area treatment measures for erosion and sediment control.

(4) Land stabilization protection, gully control, and other similar practices.

(5) Consolidation and rehabilitation of existing irrigation systems including associated drainage measures which are integral parts of the irrigation systems.

(d) *Program statements.* Two or more similar major federal actions occurring in the same geographical area such as contiguous watershed projects may be covered by a single "program" EIS. A program EIS may also be needed on newly authorized program responsibilities. In either case, and after considering the criteria in paragraphs (a) and (b) of this section, the responsible federal official will determine if a program EIS is appropriate and, if so, provide for its development.

(e) *River basin studies.* SCS assists with the preparation of EIS's covering certain river basin studies through the Water Resources Council, river basin commissions, and interagency committees. SCS is the lead agency for the U.S. Department of Agriculture (USDA) in conducting cooperative river basin studies (Type 4). Environmental analyses at the same level of intensity as economic and social analyses are included in the studies. An EIS is to be prepared when implementation authorization for specific projects included in the study is requested.

(f) *Legislative actions and favorable reports on legislation.* If SCS is designated by the USDA to prepare a legislative proposal or a favorable report when SCS has primary responsibility for the subject matter involved in a bill referred to the USDA, the Administrator is responsible for developing the EIS to accompany the proposal or report if he determines the proposal or report constitutes a major federal action which will have significant impact on the environment.

(g) *EIS's for making, modifying, or establishing regulations, rules, procedures, and policy.* If responsibility for implementing a program or major federal action is delegated to SCS by the Secretary of Agriculture and regulation or policy formulation is necessary, the need for an EIS will be determined by the Administrator in consultation with the USDA office of the Coordinator of Environmental Activities and the appropriate USDA assistant secretary. If an EIS proves necessary, it is to be developed in time to accompany the proposal, regulation, or policy through the review process.

(h) *Lead agency.* In certain instances, several USDA agencies may have program responsibilities relative to a major federal action with significant environmental impact. If SCS is designated as the lead agency, the Administrator will coordinate the input of all concerned agencies in development of the EIS. In actions involving several departments, the role of SCS will be determined in consultation with the USDA Office of the Coordinator of Environmental Activities and the CEQ.

(i) *Early notice system.* A list of SCS major federal actions in each state on which EIS's are to be prepared is to be furnished by the state conservationist to the Administrator on July 1, 1974. Each quarter thereafter the state conservationist will report any changes to the original list. The Administrator will consolidate the state lists and forward a single national list to CEQ each quarter. Each state list will be available at the appropriate SCS state office for public inspection. A list of major federal actions on which environmental statements will not be prepared (negative declaration) is to be maintained by the state conservationist after individual notices have been circulated.

§ 650.9 Numbering, distributing for comment, and time limits.

(a) *System for numbering EIS's.* (1) SCS will use the following components in numbering EIS's:

USDA	U.S. Department of Agriculture.
SCS	Soil Conservation Service.
EIS	Environmental Impact Statement.
WS	Program designation.
(ADM)	Type of statement.
74	Fiscal year of draft EIS.
11	Sequential number by program by fiscal year.
(D) or (F)	Draft or Final.
AL	State abbreviation as used in the U.S. Postal Service, National Zip Code Directory.

(2) Example. The number of the eleventh draft SCS administrative EIS for the fiscal year 1974 in the watershed program in Alabama would be written as follows:

USDA–SCS–EIS–WS–(ADM)–74–11–(D)–AL

(3) Program designations presently used include:

WS	Watershed.
FP	Flood Prevention.
RB	River Basin.
RCD	Resource Conservation & Development.

(4) Each state conservationist will assign sequential numbers to draft EIS's prepared within his state when the EIS is ready for circulation. A new series of numbers will begin each federal fiscal year. Draft and final EIS's for the same action will carry the same sequential number even though the final statement may be filed in the subsequent fiscal year, but will be designated (D) or (F).

(b) *Draft EIS's.* The following steps will be taken in filing and distributing draft EIS's for review and comment:

(1) *CEQ and others.* Five copies of draft EIS's will be sent to CEQ by the responsible federal official. At the same time the responsible federal official will send copies to:

(i) The federal agencies listed in Appendix II of this part and a copy of the transmittal letter only to the USDA Office of the Coordinator of Environmental Quality Activities. Appendix II of the

CEQ Guidelines (38 FR 20557) also provides further guidance for considering sources of special expertise in the areas of energy, pollution, and resource and land use.

(ii) State and local agencies. OMB Circular No. A–95 (Revised) through its system of state and areawide clearinghouses provides a means for obtaining the views of state and local environmental agencies which can assist in the preparation and review of EIS's. Instructions for obtaining the views of such agencies are contained in the joint OMB–CEQ memorandum which is attached to the CEQ Guidelines as Appendix IV (38 FR 20550).

(iii) Organizations, groups, and individuals. A copy of the draft EIS will be sent to the appropriate official of each organization or group and each individual who has expressed interest or should receive a copy.

(2) *Time period for comment.* The time period for review shall end 60 days after the date the draft EIS is sent to CEQ and distributed for review as provided in paragraph (b)(1) of this section. (This 60-day period includes the 45-day period from the date published in the FEDERAL REGISTER by CEQ.) A 15-day extension of time for review and comment will be considered by the responsible federal official when such requests are submitted in writing. Otherwise it will be presumed that at the end of the 60-day period the agency or party from which comments were requested has no comments to make.

(3) *Notice to Federal Register.* The state conservationist will prepare a notice for the FEDERAL REGISTER concerning availability of draft EIS's and forward it to the Administrator for handling.

(4) *News releases.* News releases will be sent to appropriate local media in a timely manner by the responsible federal official.

(5) *Preparing final EIS's.* At the end of the review period, the responsible federal official will prepare the final EIS, taking into consideration substantive comments, including opposing viewpoints received. If significant changes in the proposed action are needed, a revised draft EIS may be necessary and recirculated for comment.

(c) *Final EIS's.* The following steps will be taken in filing and distributing final EIS's:

(1) Letters of substantive comment will be appended to all copies of the final EIS's. If numerous repetitive responses are received, summaries of the repetitive comments and a list of the commentators will be appended.

(2) The responsible federal official shall send five copies of the final EIS to CEQ, one copy of the letter of transmittal only to the USDA Coordinator of Environmental Quality Activities, and a copy of the final EIS to each state and federal agency, organization, group, or individual who furnished substantive comments on the draft EIS or who requests a copy.

(3) The state conservationist will prepare a notice for the FEDERAL REGISTER concerning availability of final EIS's and forward it to the Administrator for handling. Copies of final EIS's will be made available by the SCS responsible federal official on request.

(4) No administrative action on implementation of the proposal covered by the EIS is to be taken for 30 days after notice of availability of the final EIS is published in the FEDERAL REGISTER by CEQ.

(d) *Supplements to EIS's.* If necessary, an appropriate revision or supplement to a final EIS on file with CEQ shall be prepared by the responsible federal official. The extent of the revision and further coordination with other federal, state, and local governmental agencies and the interested public will be based on the following:

(1) If the final EIS previously filed becomes inadequate due to a major change in the plan of development or method of operation of the proposed action or for other reasons, a new draft and final EIS must be prepared as provided in § 650.10 and filed and distributed as provided in paragraphs (b) and (c) of this section.

(2) If the final EIS on file becomes deficient because of major changes in some of the design features or project purposes, an appropriate draft supplement to the final EIS shall be prepared. The draft and final supplement will be filed and distributed as provided in paragraphs (b) and (c) of this section. Time limits specified in paragraphs (b)(2) and (c)(4) of this section will be observed.

(3) If SCS determines that it is necessary to clarify or amplify a point of concern raised after the final EIS was filed with CEQ and the point of concern was considered in the final EIS, the clarification or amplification shall be prepared and filed with CEQ. Informational copies of the material filed with CEQ will be furnished to those who received copies of the final EIS. Section 1500.11(b) of the CEQ Guidelines (38 FR 20556) would not be applicable. Waiting periods previously outlined in this part are not applicable.

(e) *Expedited procedures.* When emergency circumstances make it necessary to take action with significant environmental impact without observing the provisions of paragraphs (b) and (c) of this section, the state conservationist shall work through the Administrator and the USDA Office of the Coordinator of Environmental Quality Activities in consulting with CEQ about alternative arrangements.

§ 650.10 EIS format and content.

(a) General considerations in preparing EIS's. (1) Environmental studies are to be conducted at the same time, depth, and scope as are economic, engineering, and other related studies.

(2) The EIS is to summarize and document data sources.

(3) Secondary impacts such as socioeconomic effects, including impacts on civil rights, minority groups, and low income persons, as well as cumulative effects of other SCS and relevant actions in the area to be influenced are to be considered.

(4) Comments and recommendations by agencies, groups, and individuals are to be given full consideration in planning the project and developing the EIS. Appendix II of the CEQ Guidelines (38 FR 20557) is to be used as a guide for determining the expertise and responsibilities of other agencies to be contacted for consultation.

(5) Impacts on historical, archeological, and cultural sites are to be considered with special attention to the review procedures required for those properties included in or eligible for inclusion in the National Register of Historic Places.

(6) The U.S. Environmental Protection Agency (EPA) is to be consulted early in the planning process on water and air quality matters to facilitate EPA and SCS responsibilities under section 309 of the Clean Air Act (Pub. L. 91–604, 84 Stat. 1709 (42 U.S.C. 1857h–7)).

(7) Any federal, state, or local legislation, plan, regulation, standard, or action which may have a bearing on the proposed action is to be considered.

(8) Attention is to be given to the substance of the information rather than the form, length, or detail of the EIS.

(b) The following points are to be covered in accordance with § 1500.8 of the CEQ Guidelines (38 FR 20553):

(1) A description of the proposed action, a statement of its purposes, and a description of the environment affected. Include information, summary technical data, and maps and diagrams, where relevant, adequate to permit an assessment of potential environmental impact by commenting agencies and the public.

(2) The relationships of the proposed action to land use plans, policies, and controls for the affected area.

(3) The probable primary and secondary impacts of the proposed action on the environment. Include an assessment of the positive and negative effects on both national and international environment.

(4) Alternatives to the proposed action which would reduce or eliminate adverse effects. Include, where relevant, those not within the responsibility of SCS.

(5) Any probable adverse environmental effects which cannot be avoided such as water or air pollution, undesirable land use patterns, damage to life systems, urban congestion, threats to health, or other consequences adverse to the environmental quality goals set out in section 101(b) of NEPA (Pub. L. 91–190, 83 Stat. 852 (42 U.S.C. 4331)).

(6) The relationship between local short-term uses of man's environment and the maintenance and enhancement of long-term productivity.

(7) Any irreversible and irretrievable commitments of resources that would be involved in the proposed action should it be implemented.

(8) An indication of other interests and considerations of federal policy to

offset the adverse environmental effects of the proposed action. The statement should also indicate the extent to which these stated countervailing benefits could be realized by following reasonable alternatives to the proposed action that would avoid some or all of the adverse effects. Analyses or summaries of available cost-benefit information are to be attached to the EIS.

(c) Sample procedures for developing an EIS for a complex watershed project are outlined in Appendix III of this part. The outline presents detailed consideration of the elements covered in § 1500.8 of the CEQ Guidelines. The outline is to be used as a guide and adjusted to specific actions as appropriate, keeping in mind the:

(1) Size and complexity of the proposed action;

(2) Range of significant environmental factors likely to be affected;

(3) Number of reasonable alternatives; and

(4) Detail of information necessary to adequately describe and assess resources and impacts.

§ 650.11 Reviewing and commenting on EIS's prepared by other federal or nonfederal agencies.

(a) SCS employees assigned to review and comment on EIS's prepared by other agencies are to be thoroughly familiar with SCS policies and guidelines contained in this part, CEQ Guidelines, and NEPA.

(b) All EIS's received for review by SCS shall be responded to promptly even if no comments are offered. Comments are to be objective and factual and presented with a view toward offering suggestions which will help minimize adverse impacts of the proposed action. Comments are to be based on knowledge readily available. Field office technical guides, soil surveys, field investigation reports, and other resource data and reference materials developed by SCS and other agencies should be used and cited. It is not intended that special surveys or investigations be conducted to acquire additional information for use in preparing comments.

(c) The SCS reviewer is to consider:

(1) *The suitability or limitations of the soils for the proposed action.* Have the suitabilities and limitations of the soils for the proposed use and action been considered? Would an alternative route, location, or layout minimize land use problems and adverse environmental impacts?

(2) *Provisions for control of erosion and management of water during construction.* Are there resources downstream that would be affected by sediment from the construction area, and does the statement provide for adequate control measures?

(3) *Provisions for conservation land treatment on the project lands, rights-of-way, access roads, and borrow areas.* Does the statement indicate that enduring soil and water practices are to be installed and maintained?

(4) *The effect of water discharges from the project lands or rights-of-way onto other properties or changes in water quality.* Will discharges cause erosion or flooding on other lands?

(5) *The effects of disruption of the natural drainage patterns on other properties.* Does the statement indicate that natural drainage patterns will be maintained or improved, and that bridges, culverts, and other water control structures will be so located that adjacent lands are not flooded or otherwise restricted in use?

(6) *The impact on existing conservation systems.* To what extent will conservation systems such as terrace, drainage, or irrigation be altered, severed, or suffer blocked outlets, and land use or cover be affected as a result? Does the EIS make clear that existing conservation systems, where applicable, are to be protected and kept functional?

(7) *The amount of prime farmland or other significant land and water resource areas being irreversibly or irretrievably lost.* Would an alternative location or route require less prime farmland?

(8) *The impact of severance of farmland, woodland, ranchland, or other significant land and water resource areas.* Can adverse effects of severance be reduced by providing for underpasses or access corridors?

(9) *The impact of the proposed action on wetlands.* Does the statement reflect the effect of the proposed action on wetlands as defined in U.S. Department of Interior, Bureau of Sports, Fisheries, and Wildlife Circular No. 39? Can the adverse effects be reduced or eliminated?

(10) *The stockpiling, protection, or proper disposition of topsoil.* If this is a significant consideration, does the statement provide for conserving and using topsoil?

(11) *The impact of the proposed action on pollution of land, water, and air.* Does the statement describe the adverse effects? Can the adverse effects be reduced and, if so, by what means?

(12) *Other related resources.* Does the reviewer have information which would indicate significant effects of the proposed action on fish and wildlife habitat, rare and endangered plant and animal species, historical and archeological sites, natural areas, and major plant communities?

(13) *The effect of the proposed action* on SCS or other agency projects. Does the statement reflect the effect of the proposed action on present or planned SCS assisted projects? Does the reviewer have information on projects of other agencies not recognized in the EIS and which should be called to the attention of the agency which prepared the EIS?

(14) *Floodplain considerations.* Does the reviewer have information relating to the following: Does the project lie within the bounds of a floodplain? Will the project be damaged by flooding? Will the proposed action cause an increase in flood damage either upstream or downstream? Does the project constitute a precedent in terms of encroachment on this floodplain?

(15) *Impact on historical or archeological resources.* Does the proposed action threaten or alter any property included in or eligible for inclusion in the National Register of Historic Places?

(d) Usually EIS's prepared by other federal agencies are addressed to the USDA and referred to SCS by the USDA Coordinator of Environmental Activities, or are addressed to the SCS national office or an SCS state office.

(1) EIS's referred by the USDA Coordinator of Environmental Activities to the SCS national office may designate SCS as the lead agency for preparing comments for USDA. In this case, the SCS national office determines whether inputs from state conservationists and other USDA agencies are needed. If so, state conservationists and other USDA agencies are requested to furnish comments to be combined for the USDA response.

(2) EIS's received directly by the SCS national office are screened to determine whether inputs from state conservationists are needed. If so, the EIS is sent by the Administrator to the state conservationist concerned. Transmittal of an EIS to a state conservationist shall indicate to whom comments, or copies thereof, are to be sent. If more than one state is involved, the Administrator will designate one state conservationist to coordinate the review and comments.

(3) If a state conservationist receives an EIS directly from another federal agency, he is to respond directly to the initiating agency. A copy of his comments is to be sent to the Administrator and to the USDA Coordinator of Environmental Activities. If the EIS is from a nonfederal agency, the state conservationist is to send a copy of his comments to the Administrator. If the comments are substantial or controversial, a copy of the draft EIS should be attached to the copy of the comments sent to the Administrator.

(4) Comments on EIS's addressed directly to SCS are to deal primarily with areas of SCS expertise. Copies of draft EIS's reviewed and commented on should be retained by reviewing offices for reference.

(5) Five copies of review comments made by SCS on EIS's prepared by other federal agencies are to be sent directly to CEQ.

(e) If EIS's are addressed to SCS area or field offices, these offices are to contact the state conservationist for instructions on coordinating and handling the comments.

(f) If EIS's are submitted to conservation districts, the district officials should prepare the comments and reply. SCS may furnish needed soil, water, and related resource information to the district officials.

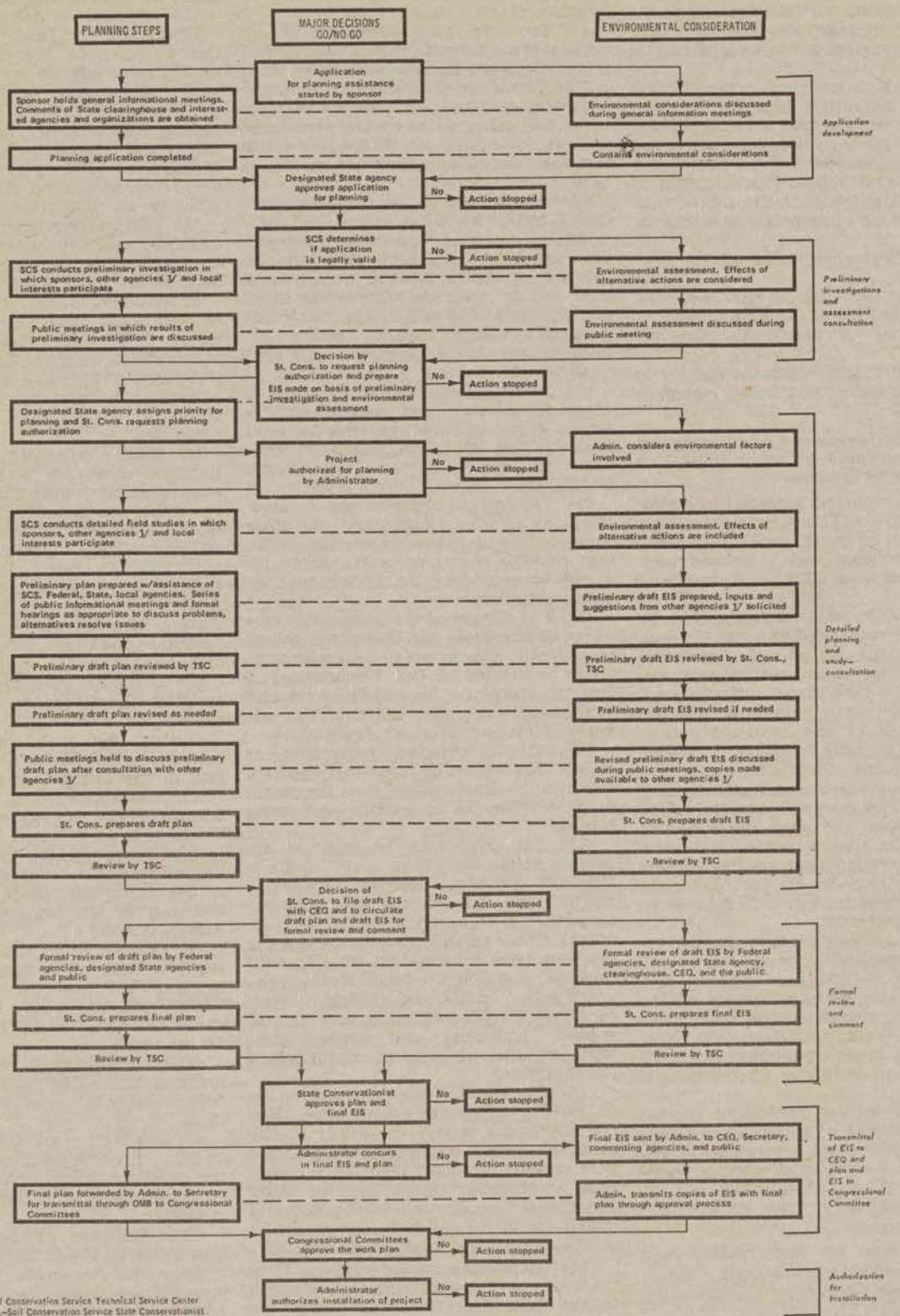
U. S. DEPARTMENT OF AGRICULTURE — SOIL CONSERVATION SERVICE

APPENDIX I

—PLANNING PROCESS—

PL.–566 WATERSHED PROJECTS

(Projects Requiring Congressional Committee Approval)



Legend
TSC–Soil Conservation Service Technical Service Center
St. Cons.–Soil Conservation Service State Conservationist
Admin.–Soil Conservation Service Administrator (Washington)
EIS–Environmental Impact Statement
CEQ–Council on Environmental Quality
1/ Includes interested state, local, and field offices of federal agencies

MARCH 1974
USDA-SCS-HYATTSVILLE, MD. 1974

APPENDIX II—INTERAGENCY REVIEW

AGENCIES REQUESTED TO REVIEW AND COMMENT

Governor of State or State Agency Designated by Governor

State and area-wide clearinghouses

Executive Secretary
Advisory Council on Historic Preservation
1100 "L" Street, N.W.
Washington, D.C. 20005

Chief, Corps of Engineers
Department of the Army
Department of Defense
Washington, D.C. 20314
(Address to District Engineer if State Conservationist approved plan)

Department of the Interior
Washington, D.C. 20240
Attention: Office of Environmental Project Review

Department of Health, Education, and Welfare
330 Independence Avenue, S.W.
Washington, D.C. 20201

Department of Transportation
Washington, D.C. 20590

Department of Commerce
Washington, D.C. 20230

Environmental Protection Agency
(Address to Regional Office)

Federal Power Commission
Washington, D.C. 20426

Office of Equal Opportunity
U.S. Department of Agriculture
Washington, D.C. 20250

Agencies requested to review and comment

Only if involved:

Appalachian Regional Commission
1666 Connecticut Avenue, N.W.
Washington, D.C. 20235

Delaware River Basin Commission
P.O. 360
Trenton, New Jersey 08603

Tennessee Valley Authority
Knoxville, Tennessee 37919

Other Regional Commissions

Only for watersheds in areas covered by regional or river basin plans (level b) approved by Water Resources Council and transmitted to Congress:

Water Resources Council
2120 L Street, N.W.
Washington, D.C. 20037

APPENDIX III

TYPICAL OUTLINE FOR ENVIRONMENTAL IMPACT STATEMENT FOR COMPLEX WATERSHED

Index

I. Cover Page.
II. Summary.
III. Project Identification and Environmental Setting.
A. Authority.
B. Sponsoring Local Organization.
C. Project Purposes & Goals.
D. Planned Project.
1. Land Treatment Measures.
2. Nonstructural Measures.
3. Structural Measures.
4. Operation and Maintenance.
5. Project Costs.
E. Environmental Setting.
1. Physical Resources.
2. Present and Projected Population.
3. Economic Resources.
4. Plant and Animal Resources.
5. Recreational Resources.
6. Archeological, Historical, and Unique Scenic Resources.
7. Soil, Water, and Plant Management Status.
8. Projects of Other Agencies.
F. Water and Related Land Resource Problems.
1. Land and Water Management.
2. Floodwater Damage.
3. Erosion Damage.
4. Sediment Damage.
5. Drainage Problems.
6. Irrigation Problems.
7. Municipal and Industrial Water Problems.
8. Recreation Problems.
9. Plant and Animal Problems
10. Water Quality Problems.
11. Economic and Social Problems.
IV. Relationship to Land Use Plans, Policies and Controls.
V. Environmental Impact.
A. Conservation Land Treatment.
B. Nonstructural Measures.
C. Structural Measures.
D. Economic and Social.
E. International Impacts.
F. Favorable Environmental Effects.
G. Adverse Environmental Effects.
VI. Alternatives.
VII. Short-Term VS. Long-Term Use of Resources.
VIII. Irreversible and Irretrievable Commitment of Resources.
IX. Consultation and Review With Appropriate Agencies and Others.
1. General.
2. Discussion and Disposition of Each Comment on Draft Environmental Statement.
X. List of Appendixes.
XI. Signature Block.

USDA-SCS-EIS- [Program Designation] - (ADM) - [No. Assigned by STC] - [D Draft / F Final] - [State]

[Name of Watershed Project
County(ies) & State(s)]

[DRAFT or FINAL] ENVIRONMENTAL IMPACT STATEMENT

[Name and Title of Responsible Official]

Soil Conservation Service

Sponsoring Local Organizations

[List Names and Addresses (include zip codes)]

[Date Statement Prepared (month & year)]

PREPARED BY

UNITED STATES DEPARTMENT OF AGRICULTURE

Soil Conservation Service

[Address of Responsible Official]

Note - explanatory instructions for information to be added is included in boxes.

Each item to be centered on the page.

USDA ENVIRONMENTAL IMPACT STATEMENT

----------Watershed Project
---------- County(ies)
---------- State(s)

Prepared in Accordance with sec. 102 (2) (C) of P.L. 91-190.

Summary

I. Draft (or) Final.
II. Soil Conservation Service.
III. Administrative.
IV. Brief description of project purpose and action—indicating what states (and counties) are particularly affected. For example:
A project for watershed protection, flood prevention, and recreation in ---------- County (State) to be implemented under authority of the Watershed Protection and Flood Prevention Act (PL 566, 83d Congress, 68 Stat. 666), as amended.
V. Summary of environmental impacts including favorable and adverse environmental effects.
VI. List of alternatives.
VII. (For draft statements)—List the following agencies, as appropriate, from which written comments are requested. (Ref. Appendix II, CEQ guidelines)

Department of the Army
Department of Commerce
Department of Health, Education, and Welfare
Department of the Interior
Department of Transportation
Environmental Protection Agency
Advisory Council on Historic Preservation
Appalachian Regional Commission
Delaware River Basin Commission
Federal Power Commission
Tennessee Valley Authority
Governor of ---------- (or designated state agency)
State clearinghouse
Area-wide clearinghouses
Others (Organizations, Societies, Individuals, etc.)

(For final statements)—List all federal, state, and local agencies and other sources from which written comments have been received.)

VIII. (Final statement only)—Draft Statement Transmitted to CEQ on ---------. date

III. PROJECT IDENTIFICATION AND ENVIRONMENTAL SETTING

USDA SOIL CONSERVATION SERVICE DRAFT (OR FINAL) ENVIRONMENTAL IMPACT STATEMENT[1]

for

A. ---------- Watershed (State)

Installation of this project constitutes an administrative action. Federal assistance will be provided under authority of Public Law 83-566, 83d Congress, 68 Stat. 666, as amended.

B. Sponsoring Local Organization(s)

(list)

C. Project Purposes and Goals

This section should summarize the goals of the sponsors established for the project at the time of application and as modified in the early stages of planning. The sponsors' goals should reflect the problems and needs in the watershed as a whole and consideration of their relation to regional and national problems and needs. The extent to which various specific goals may involve competing or conflicting uses of the same areas should also be acknowledged.

Recognition should also be acknowledged that the planned project may not or cannot provide for all of these stated goals.

The description of project purposes should not overlap or duplicate information in subsequent sections.

1. *Watershed protection (conservation land treatment).* Describe the goals for installing land treatment and protection of watershed lands during the project installation period. For example, the reduction in erosion rates on cropland, pastureland, and forest land in comparison to the established allowable soil loss should normally be a typical goal. The alteration of trends in farm management, ownership, tenancy, and improved management and wise use of the ecosystems and their plant and animal communities may also be quantified in the goals.

2. *Flood prevention.* Describe the goals for reducing floodwater damages, flood plain scour, land voiding by gullies, and sedimentation. Goals should be related to the planned land use for separate segments or reaches of the flood plain as different levels of protection are appropriate.

3. *Drainage & Irrigation.* Describe the goals for the level of water management to be accomplished consistent with the projected "with project" land use giving consideration to factors outside of the planned project measures (water supply, land rights, outlets, etc.). If specific areas in the watershed can be identified as to location, this should be done.

4. *Fish and wildlife and recreation.* Describe the goals for preserving, improving, and developing fish and wildlife habitat and water based recreation.

5. *Municipal and industrial water supply.* Describe the goals for supplying present and future community(ies) needs for water supply.

6, 7, 8, etc. (Other(s)). List separately and show goals for other project purposes such as water quality management, proper utilization of land, and ground water recharge.

D. Planned Project

Project measures should be described in as nontechnical terms as possible. The description should be in sufficient detail to convey to the reader a complete understanding of all planned work, how it will be installed, and how it will be operated and maintained so this may be related to the environmental factors involved. Some of the items to be described are as follows:

1. *Land treatment measures.* For nonfederal land, explain what will be done without distinction between the going and accelerated phases of the conservation program. This will include soil surveys and other inventories to be accomplished and plans to be developed. Explain that technical assistance will be provided by SCS throughout the watershed and provide an estimate of the number of acres by land use that are expected to be adequately protected or treated by the end of the installation period. Emphasis should be placed on the technical assistance that SCS will provide. It should be clearly evident to the reader that conservation land treatment results from the technical assistance provided and is a voluntary action taken by individual farmers and ranchers unless there is a specific state or local regulation that will insure its implementation. Organize the discussion for each land use category so that treatment for critical areas, flood problem areas, and private, town, county, state, and other nonfederal land is clear and what is to be done is understood. For federal land, the narrative should clearly be described the conservation land treatment measures jointly agreed upon between the Service, the land administering agency, and the sponsoring organization.

2. *Nonstructural measures.* Specific provisions for flood plain management by nonstructural means should be described for every watershed project where minimizing flood loss is a project purpose. Each measure or combination of measures should be described as to what it will consist of, where it will be located, and how it will be installed or implemented. Flood plain zoning, land right acquisition or restrictive easements are some of the land use regulations that should be described. Flood proofing, flood insurance, etc., are among other nonstructural alternatives for flood plain management that should be included where needed and feasible. The narrative should describe how the management practices will be implemented and maintained.

3. *Structural measures.* Present pertinent information relating to the *planned* features, construction, functioning, operation and maintenance of the structural measures. Each kind of measure should be separately described. Where conditions are similar for measures of one kind, they may be presented together. Any key structural measure should be handled separately. Noncritical features of individual structural measures should be described in a manner that will permit alternative solutions during final design providing the overall performance of the measures or environmental impacts are not affected. The description should cover, but not be limited to, the following items if applicable:

a. *Reservoir type structures.* (1) Foundation conditions
(2) Kind of principal spillway. (Type of inlet and outlet)
(3) Kind of emergency spillways. (Rock, earth, structural, other)
(4) Frequency of storm controlled by the principal spillway and retarding storage.
(5) Type of fill material.
(6) Type and extent of clearing to be performed in reservoir area.
(7) Design life of structures and portion of sediment capacity that will initially store water.
(8) Borrow-location, relation to geology, and land rights.
(9) Provisions for safeguarding public health, water quality, sanitation, and safety.

b. *Channels.* (1) Characteristics, of present conditions by reach length and location, along path of proposed channel work, including material through which channels will be constructed.

(2) Nature of planned construction, operation, and maintenance by the reaches previously established further subdivided as follows:

(a) Establishment of new channel including necessary stabilization measures.
(b) Enlargement or realignment of existing channel or stream.
(c) Clean-out of natural or man-made channel (includes bar removal, removal of loose debris, and major clearing and snagging).
(d) Stabilization as primary purpose (by continuous treatment or localized problem areas—present capacity adequate).

(3) Presence of rock or other material that will significantly affect the design of the channel.

c. *Public recreation facilities.* (1) Land and water areas made available for recreational use by project action.

[1] All sources of data will be shown by footnote or bibliography in the work plan and environmental statement. This includes climatologic, hydrologic, geologic, etc. data that are described. All SCS information and data presented should be so referenced. A footnote on the first page of the work plan and environmental statement might be worded as follows: "All information and data, except as otherwise noted were collected by the SCS, USDA."

(2) Kind and nature of recreational facilities to be installed. Provide sufficient detail to indicate their quality.

(3) Relationship between the components of the development—water resource improvement(s) and associated facilities.

(4) Provisions for public access, health, sanitation, safety, and the physically handicapped.

d. *For each structual measure.* (1) Minimum land rights required (acres and type). Also indicate how many acres will be committed to each use and the availability for public use.

(2) Number or amount. Length of channel, levees, floodways, pipelines, number of picnic tables etc., should be stated as "approximate."

(3) Planned appurtenances.

(4) Alteration, modification, or change in location of existing improvements.

(5) Relocations that will result from acquisition of land rights. List the estimated number, kind, and general nature of displacements. Also provide the estimated number of displaced persons and the estimated number of displaced businesses and farm operations including in each category the number of minority and low income persons.

(6) Features or provisions to minimize fish and wildlife losses and other adverse effects. Describe measures or means provided to prevent private landowners using federally cost-shared channels as outlets for private on-farm drainage of wetlands or bottomland hardwood habitat.

(7) The action to be taken during construction to minimize soil erosion, water, air, and noise pollution. Explain how features or provisions will function.

(8) Nonproject features.

(9) Notifications, salvage, or other actions to be taken relating to preservation of historical and archeological data, sites, and specimens. Describe the steps to be taken to minimize project effects on these values.

(10) Location or other relationship with respect to resource values or important physical features identified in the Environmental Setting section.

Exhibits should be used to support the narrative description of the structural measures. These may show plan and elevation views of typical and/or specific structures; channel profiles and cross sections; details of special appurtenances; etc. Reference should be made in the narrative to the project map, exhibits and appropriate tables in order that a clear picture of the structural measures and how they function will be presented.

4. *Operation and maintenance.* Describe project operation and maintenance in the same detail as installation. Specific items to be covered are:

a. The establishment period and what responsibilities the Service will assume during this period. The differences between various structural measures should be explained.

b. Operation of structures, including use of water in regulated storage capacity, operation of any control works such as diversions or tide gates and the legal steps required to establish operating authority, etc. Special note should be made of the provisions for operation and maintenance of fish and wildlife features or measures.

c. The kind of operation and maintenance work that will likely be needed. Special note should be made of any unusual operational needs and major maintenance work that may be anticipated.

d. Inspections to be made, how often kinds of inspections, and frequency of joint inspection by federal and local representatives.

e. Sufficient detail to clearly establish that the requirements for adequate operation and maintenance are fully understood and that arrangements have or can be made to satisfy such requirements. The matter is particularly significant for recreational developments since it is likely that the operation and maintenance effort for even a modest recreational development could comprise over half of the total operation and maintenance functions of the entire project. Since the recreational facilities generally require periodic replacement during the project evaluation period, show the extent to which replacement costs have been included. Custodial, policing, sanitation, safety and other operational services and the manner of financing operation and maintenance costs should be described fully.

If admission or use charges are contemplated, the statement should indicate the basis that will be used for establishing fees.

f. Provisions to assure that the installation and operation and maintenance of the planned features will meet the requirements of appropriate state and local public health agencies. Include provisions for regular monitoring of health and water quality conditions where appropriate. This is especially important when recreation and/or municipal water supply is involved. Identify the agencies involved.

g. A statement that specific operation and maintenance agreements will be executed prior to signing a land rights or project agreement for installation of the measure.

h. The local organization that will be responsible for operating and maintaining each planned measure and the manner of financing.

5. *Project costs.* This section should show total project installation cost distributed to Pub. L. 566 and other funds. The total construction cost, distributed to Pub. L. 566 and other funds, should also be shown. These data may be given in tabular form if desired.

E. Environmental Setting

This material should be in sufficient detail to present a clear and adequate picture of conditions in the watershed as they relate to water and related land resource problems, environmental values and the works of improvement to be installed, as described in the "Planned Project" section. The items to be discussed shall include, but not be limited to the following:

1. *Physical resources.* a. Location and size of the watershed including pertinent information such as the county(ies), towns or cities included, direction and distances to other important cities, position within the state, and rural and urban population. Mention the water resource region and subregion (as delineated by the Water Resources Council) in which the watershed is located. Relate conditions of this watershed to those in the region and subregion.

b. Size, location, and nature of major soil and water resource problem areas (flood plain, gullied areas, areas needing, drainage, irrigation, etc.) Do not describe the problems here. This will be furnished in the problems section.

c. Soils, land capabilities, geology, topography and range in elevations, annual rainfall and seasonable distribution, average annual temperature and temperature ranges, growing season, etc.

d. Mineral and ground water resources.

e. Land use and cover by percent of cropland, forest land, grassland, urban and built-up and other land in the watershed. Provide a general description of the land use in the major soil and water resource problem areas (flood plain, gullied areas, area needing drainage, irrigation, etc.).

f. Surface water resources (natural and man-made) in the watershed. Describe the major water course in the watershed from its source to junction with a major stream or river, name lakes and give approximate areas. Classify all streams in accordance with the Soil Conservation Service's classification system and include the water quality classification established by the responsible state agency.

The description should also indicate the present quantity and quality of base flow at representative points on perennial streams. Representative temperatures and sediment concentrations are two of the factors that should be included in the quality evaluation. Other factors that may affect water quality and should be evaluated include, but are not limited to, effects of the use and transport of fertilizers and insecticides and their effect on eutrophication; discharges from feed lots; sewage disposal systems, mine waste areas; etc.

g. Kind, brief description, location, and acres of wetlands as defined in WETLANDS of the UNITED STATES, Department of the Interior, Fish and Wildlife Service, Circular C–39.

h. Any other physical data significant to the problems and their solution.

2. *Present and projected population.* Population projections and growth assumptions based on OBERS information, where appropriate and available, otherwise on other appropriate projections. Estimate the numbers of low income and minority residents.

3. *Economic resources.* a. Land ownership including private, local public, State, and Federal. If a significant area of public land exists in the watershed, it should be identified narratively and on the project map.

b. Types of major farm or ranch enterprises, including number and average size.

c. Principal crops grown and yields in the watershed as a whole, for conditions without the project.

d. Current land values in upland, flood plain, and other soil and water problem areas.

e. Accessibility of farms or ranches to roads and market.

f. A general assessment of current economic and social conditions including normal employment and unemployment levels, level and sources of income, etc. Specific attention should be given to minority and low income persons, to family farms, and to their location with respect to the flood plain areas or other potentially benefited areas.

g. Any other information which will give a picture of the over-all economy of the watershed area, as well as significant variations within the watershed. Identify existing or proposed Resource Conservation and Development projects, Regional Development programs (such as Appalachia and TVA) and any river basin authorities that may be involved.

4. *Plant and animal resources.* a. General plant community descriptions, including dominant species and successional status or trends should be provided by land uses.

b. Population, utilization, and importance of each significant category, group or species of fish, animals and birds which are dependent on conditions in the watershed.

c. Quality and quantity of fish and wildlife habitat resources. Provide a separate description of these resources by reaches or segments along all existing stream channels (natural or man-made), and at potential Reconnaissance Report as well as data colsider the data contained in the BSF&W Feconnaissance Report as well as data collected by SCS and other specialists.

d. Influence of pollution and other water quality factors on the fish and wildlife resource values, especially productivity.

e. Public access availability to the existing resource.

f. Special mention should be made of any threatened species.

5. *Recreational resources.* a. Identification of existing recreational resources and the potential for recreational use from sources of data such as: inventories of existing outdoor recreational areas and enterprises; appraisals of potential for outdoor recreational developments; soil surveys (their use and interpretations for recreation); statewide comprehensive outdoor recreational plans, and river basin studies.

b. Present utilization of existing recreational resources.

c. Influence of pollution and water quality on existing recreational resources.

d. Public accessibility and facilities provided for recreational resource use.

6. *Archeological, historical, and unique scenic resources.* Location and nature of known archeological, historical, scientific, and scenic values in the watershed as determined from qualified sources. Identify the source. Specific references should be made to any property included in or eligible for inclusion in the National Register of Historic Places, and to consultation with the state historic preservation officer, and other state, regional, and local societies and organizations with expertise. It must be evident from the information presented that the Service has fully met its responsibility to determine the significance of its actions on any archeological and historical resources that may be present, including the use of professional archeologists if the presence of such resources is either affirmed or is inconclusive.

7. *Soil, water, and plant management status.* a. Identification of trends in land use changes.

b. Status of the land treatment program and the degree to which committed factors of production (land, labor and capital) are employed inefficiently on marginal upland, flood plain areas subject to frequent flooding and areas needing drainage or irrigation.

c. Activities of soil and water conservation districts.

d. Number of cooperators and number of conservation plans.

e. Percent of watershed covered by agreements.

f. Percent of planned practices presently applied, and types of practices planned.

g. Acres, by land use, of land considered adequately treated, or protected.

h. Status of other programs and influences affecting adequacy of management.

8. *Projects of other agencies.* Describe existing or soon to be constructed water resource development projects (county, state, federal or private) which may have a relationship to the works of improvement included in the plan. Indicate nature of relationship.

F. Water and Related Land Resources Problems

Discuss problems resulting from floodwater, erosion, and sediment damages, and those associated with the conservation, development, utilization, and disposal of water. Problems or needs associated with *each* category of damage should be thoroughly described in the environmental statement. Sediment and erosion damages should be described separately from floodwater damages wherever such damage exists. Pictures of typical problem or damage areas should be included as appropriate. Typical items to be described include the following:

1. *Land and water management.* Discuss social and economic problems encountered in encouraging farmers and ranchers to conserve their natural resources. Describe these problems clearly, giving emphasis to (a) types of problems including serious erosion rates, low fertility, soil-water relationships, changes in plant communities, (b) need for land use adjustments, (c) need for a more efficient use of committed factors of production in the entire watershed and (d) the ability of landowners and operators to install needed land treatment measures.

2. *Floodwater damage.* a. Thorough description of nature and extent of damage and limitations due to flooding.

b. Flood hazard area—Describe the kinds of crops, number of landowners, residences and businesses, etc.

c. Frequency and seasonal occurrence of damaging floods; monetary and physical damages from key flood or recent flood; significance of small frequent floods or large infrequent floods on the total flood problem.

d. Evaluation reaches, including location or limits and significant differences in problems. (Refer to Project Map.)

e. The extent to which floods affect the health or lives of people.

f. Any other pertinent aspects of the problem.

It is desirable to describe a particular flood of record that clearly portrays the flood problem. The frequency of this occurrence should be stated.

3. *Erosion damage.* a. Gross erosion rates in tons per acre over the entire watershed by land use for each type of erosion: sheet and rill, gully, roadside, streambank, etc.

b. Identification and description of severity of critical sediment source areas.

c. Extent of physical erosion damages: (1) gully—area voided (in acres, feet, etc.), (2) streambank—miles damaged and state of activity, (3) flood plain scour—acres damaged and degree, (4) other.

d. General effect of erosion on agricultural production and the economy of the watershed, including reduced net return.

4. *Sediment damage.* a. Nature and extent of sediment deposition on agricultural lands and in urban areas expressed in acres damaged.

b. Nature and extent of swamping damage, including damage to trees over a long period of time.

c. Loss of capacity of functioning ability of reservoirs and distribution systems, channels, drainage and irrigation developments, transportation facilities, and other. Describe in physical terms.

d. Effect on water quality, especially as related to transporting agricultural chemicals.

e. Average annual sediment yield at the mouth of the watershed and other points of concern, and the description of what problems this creates downstream. Also express this in terms of sediment concentration (Mg l) and relate to stream pollution, when information is available.

5. *Drainage problems.* a. Degree and extent of agricultural areas (including forest land) affected by wet conditions.

b. Limitations on use.

c. Effect on quality, production costs and yield of crops.

d. Local efforts to improve conditions.

e. Need for and kinds of on-farm drains and associated land treatment measures in conjunction with structural system of drainage measures.

f. Soils.

g. Degree and extent of drainage problems and around facilities such as: airports, buildings, recreation areas, urban areas, etc.

h. Any other pertinent items, such as salinity, vector, etc., problems.

6. *Irrigation problems.* a. Present and potential irrigated areas.

b. Source and adequacy of existing water supply including quantity and quality of water.

c. Adequacy and efficiency of existing irrigation systems, and methods.

d. Crop adaptation and suitability of soils, and topographic conditions.

e. Phreatophyte and vector control.

f. Other pertinent items, such as water rights, special uses (frost control, or cooling) salt problems.

7. *Municipal and industrial water problems.* a. Conditions and adequacy of existing supply.

b. Future demands and needs for additional supply.

c. Present status and future of ground water supplies.

d. Anticipated population to be served.

8. *Recreation problems.* a. Water quality and sediment problems in lakes, streams, or ponds having recreational potential.

b. Availability of existing resources to the general public.

c. Present population and future projected population within a reasonable distance of the watershed.

d. Overall lack of or need for additional water-related recreational facilities.

9. *Plant and animal problems.* a. Alteration of plant communities and landscape patterns.

b. Loss of wildlife habitat because of changed or changing (trends) land use.

c. Damage to fish and wildlife resources by flooding, sediment, erosion, and poor water quality.

d. Need for additional fish and wildlife habitat.

e. Threatened species, (plant, animal, etc.)

10. *Water quality problems.* a. Nature and extent of pollution in watershed streams, including, but not limited to: chemicals, sewage, temperatures, etc. Describe the influence of trends in land use and transport of fertilizers and pesticides.

11. *Economic and social problems.* a. Extent to which family farms are low income producing units.

b. Extent that the project area is an economically depressed area.

c. Need for additional employment opportunities.

d. Percent of problem area devoted to farms using one and one-half man-years or more of hired labor as contracted to family farms.

e. General need for promoting rural community development in the watershed.

IV. Relationship to Land Use Plans, Policies and Controls

Describe how the proposed action may conform or conflict with the objectives and specific terms of approved or proposed federal, state, and local use plans, policies and controls, if any, for the area affected, including those developed in reponse to the Clean Air Act or the Federal Water Pollution Control Act Amendments of 1972. Where a conflict on inconsistency exists, the statement should describe the extent to which the agency has reconciled its proposed actions with the plan, policy or control, and the reasons why the agency, has decided to proceed notwithstanding the absence of full reconciliation.

V. Environmental Impact

(General Instructions) Material in this section will be organized under the following headings: Conservation Land Treatment, Nonstructural Measures, Structural Measures, and Economic and Social. The Economic and Social heading is for overall effects in these categories which are not covered under the other three headings. This section should include a factual and objective description of all effects and the probable impacts, primary and secondary, short-term and long-term, of the planned project. Both beneficial and adverse effects or impacts will be described as they relate to all resources and problems described in earlier sections of the environmental statement. No attempt should be made to classify them as either favorable or adverse. Effects outside the watershed should not be overlooked. Do not state opin-

ions except in reporting the views of others outside the Service. Conclusions with respect to any impact should show the supporting basis in fact, or from the pertinent technical literature, or from a source with expertise outside of the Service.

The effects of construction activity during installation should be described in each subsection, as appropriate. The description will be written in such a manner that watershed residents and the general public will be able to clearly understand what the project will or will not do.

Each impact should be described in detail and quantified. Impacts should be placed in perspective. For example, if 50 acres of a particular type of habitat are to be lost by installation of the project, what relationship does this have to the total amount of this habitat which would exist without the project and what effect will this have on the species which use this habitat?

Some of the more common potential impacts to be addressed in subsequent sections include the following:

1. Changes in biological productivity, including fish and wildlife habitat and population losses, impacts on rare and endangered species, and changes in species diversity.

2. Changes in water quality resulting from sedimentation including receiving waters, changes in stream regimen, agricultural chemicals, municipal and industrial pollution, increased recreational activity, and irrigation return flows.

3. Land use changes stimulated by the project including changes in areas of wetlands, bottom land hardwood, flood plain encroachment, etc.

4. Downstream impacts created by sediment deposition, change in flow velocities and flood plain use.

5. Changes in stream configuration (width, depth, length, gradient, oxbows, and meanders) resulting from stream channel work—related impacts on water table levels and biological productivity.

6. Recurring project maintenance practices (mechanical and chemical) and the resulting impacts on stream and habitat recovery.

7. Ground water supply and/or recharge as affected by impoundments or prolonged flows.

Where any of these factors are relevant or are likely to be questioned by readers of the statement, the possible environmental impact should be discussed.

A. CONSERVATION LAND TREATMENT

Although land treatment is generally considered to result in favorable environmental impacts, conflicts in resource use may create situations that might induce adverse effects. Consideration should be given to that which will take place without the project (i.e., clearing of bottom land hardwood, ongoing terrace program, etc.) in establishing the changes which will result from project measures. Probable impacts (or effects) based on an identification of changed conditions are listed below: (not all-inclusive, nor do they apply to all projects).

1. Land adequately and partially protected or treated—acres.

2. Sheet erosion rate—tons per acre per year.

3. Sediment deposition on flood plains—acres, degree and extent.

4. Effect of above impacts on crop production, wildlife, etc.

5. Sediment yield to watershed outlet, streams, and lakes—tons, acre feet per year.

6. Aggradation or degradation in stream reaches—inches or feet.

7. Average annual sediment concentration (suspended and turbidity) in flowing streams—mg/l or ppm. Indicate annual range if available.

8. Quality of runoff water, including average nutrient content (N, P, K) and agricultural chemicals.

9. Land use changes—acres by use.

10. Drainage conditions in wetland areas or bottom land hardwood areas resulting in changed land use.

11. Vector control.

12. Modified flood runoff.

13. Modification of places of archeological or historical or scientific value.

14. Ground water table and ground water recharge.

15. Health and safety of watershed residents.

16. Employment conditions.

17. Social and economic.

18. Esthetics.

B. NONSTRUCTURAL MEASURES

Describe all effects and the related environmental impacts relating to the use of nonstructural measures in the project. Physical, social, and economic impacts may result.

1. Relocations.
2. Land use changes.
3. Changes in agricultural production.
4. Disruption of community associations.
5. Changes in net income.

C. STRUCTURAL MEASURES

The installation of structural measures in a watershed project will have definite physical, social and economic effects on the environment and each ecosystem within the watershed. Careful evaluation will be necessary to identify impacts. Many of the same items listed under land treament will of course apply to structual measures with differing degrees of importance. Additional probable impacts (or effects) based on an identification of changed conditions are listed below: (not all inclusive nor do they apply to all projects).

1. Terrestrial and/or aquatic habitat modified or lost—acres, miles, etc.

2. Area available for upland game hunting—acres.

3. Acres of warm water lake or stream fishery for _____ fisherman per day.

4. Area available for agricultural production—acres.

5. _____ miles of roads and number of bridges to be closed or modified due to inundation by reservoir. Relate to increased travel time for certain residents.

6. Degree of flooding to be experienced on various land uses for particular frequency floods.

7. Streambank erosion and flood plain scour.

8. Fish migrations.

9. Rare and endangered plant and animal species.

10. Water-based recreation available—annual recreation visits.

11. Traffic, litter, noise, etc. caused by recreation development.

12. Major plant communities.

13. Water supply.

14. Base flow in perennial streams.

15. Ground water recharge.

16. Temperature of water in perennial streams.

17. Ambent air quality during and after construction.

18. Noise pollution during construction.

19. Relocations.

20. Tax base.

21. Natural conditions of stream channels, including oxbows and meanders.

22. Social and Economic.

D. ECONOMIC AND SOCIAL

1. Effects on the economy, including employment and unemployment, economic base, population retention and distribution, and per capita income including minority and low income persons.

2. Effects on agricultural efficiency and income stability from supplemental farm enterprises such as recreation and wood products on marginal agricultural lands.

3. Effects on the quality of living for both the beneficiaries and the people relocated.

4. Effects on rural area development.

5. Secondary effects on the region as influenced by the project.

6. Describe the effects which will not or cannot be evaluated in monetary terms in sufficient detail to explain their importance to the community, the region and the nation.

7. Effects on open space made available through recreational, agricultural or reserved land uses, and vegetation along field borders.

E. INTERNATIONAL IMPACTS

Consider and discuss international impacts, if any.

F. FAVORABLE ENVIRONMENTAL IMPACTS

This section should summarize (from the "Impact" section) any environmental effects which are probably beneficial. The listing in this section should contain only sufficient detail to identify the item.

G. ADVERSE ENVIRONMENTAL EFFECTS

This section should summarize (from the "Impact" section) any environmental effects which are probably adverse and cannot be avoided. The listings should contain only sufficient detail to identify the item.

VI. ALTERNATIVES

Section 102(2)(D) of the Act requires the responsible agency to "study, develop, and describe appropriate alternatives to recommended courses of action in any proposal which involves unresolved conflicts concerning alternative uses of available resources." A rigorous exploration and objective evaluation of alternative actions that might avoid some or all of the adverse environmental effects as listed in the "Adverse Effects" section is essential.

Justification statements for the nonselection of an alternative should not be included, but the key facts should be presented to enable the reader to judge the relative merits of each alternative. The planned project, described in detail in an earlier section, should *not* be described or justified in detail in this section. Wording to the effect that an alternative "was considered during project formulation * * *" should be avoided.

All reasonable alternatives should be discussed including any that have been or are likely to be suggested by agencies, groups, or individuals even though they would not meet project objectives, or come within Soil Conservation Service jurisdiction. Reasonable alternatives include those which may be possible under other existing authorities. Alternatives which are deemed remote or speculative are not considered to be reasonable. The courts have ruled that agencies "need not indulge in crystal ball inquiry" in assessing the effects of alternatives.

The foremost requirements of this section are to objectively discuss the available alternatives in sufficient detail for understanding. For each alternative, describe (a) what the alternative consists of, (b) level of protection or development provided, (c) expected environmental impacts, and (d) costs. Present sufficient data and analysis to provide the reader with the rationale for acceptance or rejection of each alternative.

The following alternatives always should be considered:

1. Accelerated conservation land treatment alone.

2. Accelerated conservation land treatment supplemented by nonstructural measures for

minimizing flood losses, including zoning, flood proofing, flood insurance, land purchase, warning systems, etc.; either singly or in alternative combinations with structural measures. Flood plain zoning or flood insurance as alternatives by themselves are often not realistic. To become viable alternatives they frequently need to be combined with other measures.

3. Alternative means of achieving the comparable benefits claimed for the proposed action.

If channel work is planned an alternative that would eliminate some specific parts or all of the channel work should be included. Pump drainage or other design alternatives for achieving the same purposes and level of development or for minimizing adverse impacts should be considered as appropriate. If pump drainage is included as either a land treatment practice or as a structural measure it may be an alternative to certain reaches of channel work.

4. No project. This alternative should describe anticipated future changes that will affect the environment under current trends of change. This description should be concluded with a statement of the net monetary benefits that would be foregone by not implementing the project (net=annual benefit less annual cost).

It should be realized that the no project alternative would include the ongoing land treatment program. It should also be recognized, and appropirate description provided, that the problems, needs and trends in the project area will continue. Physicial impacts of expected trends should be described as well as the monetary benefits foregone. Here is an opportunity to look into the future and describe probable conditions without the proposed project.

VII. Short-Term vs. Long-Term Use of Resources

This section is to assess the action for cumulative and long-term effects from the perspective that each generation is trustee of the environment for succeeding generations. It should consider the following:

1. Land use. Consider trends, formal land use plans, regional plans, river basin plans, and the expected future use.

2. Extent to which the project will solve only short-term or immediate problems and reduce the options available for long-term uses.

3. Project compatibility with projected future long-term uses of the land, water, and other natural resources.

4. Extent to which the project will be effective in conserving land and water resources after its designed life.

5. Regional and Cumulative Effect.

a. General description of the status of the PL–566 watershed program (installed, approved, and potential projects) in the water resources region and subregion as designated by the Water Resources Council.

b. Relationship of works of improvement in this project to those in other water resource projects in the region.

c. A description of cumulative effects is to be included when it is reasonable to anticipate a cumulatively significant impact on the environment. These effects will consider all completed, planned, and applied-for water resource projects in a given river basin or region. Regional boundaries for this evaluation will vary with the resource being considered. Influencing factors could be a migratory waterfowl flyway, a coastal marsh area, a particularly important natural habitat for specific fish or wildlife species, a hydrologic unit for downstream effects, etc. Special attention should be given to this item where projects are similar in nature and closely interrelated such that they might be considered a complex of projects. By definition, however, there will always be cumulative effects whenever there are two or more projects in the same area of influence and each has any of the same beneficial or adverse effects. (Technical Service Centers can provide assistance making maximum use of river basin studies which have been completed or are in progress.)

VIII. Irreversible and Irretrievable Commitments of Resources

This section identifies the extent to which the action curtails the range of beneficial uses of the environment. It should factually discuss the following:

1. The acres in each present use and the other resource values that are represented in the land to be committed to dams, spillways, lakes, pool areas, channels, recreational facilities, etc. However, recognition should be given to any remaining resource values that these areas may provide after reestablishment of vegetation.

2. How the commitment of land and water areas to features of the project will preclude these areas from other uses in the future.

3. Labor and capital investments.

IX. Consultation and Review With Appropriate Agencies and Others

1. *General.* Appendix II to the CEQ Guidelines for Preparation of Environmental Impact Statements lists areas of environmental impact and the federal and federal-state agencies with jurisdiction by law or special expertise to comment thereon. This list should be used in arranging for appropriate consultation on any environmental values involved.

To the extent possible, the NEPA process is to meet the consulting and coordinating requirements of the Fish and Wildlife Coordination Act, the National Historic Preservation Act, Section 309 of the Clean Air Act, and other requirements as applicable.

This section will briefly describe the overall processes of consultation and coordination with all interested agencies and individuals during the application, planning, and review stages. Examples of typical contacts are fish and wildlife agencies, health and water quality agencies, state historic preservation officers and other archeological and historical authorities, local minority group organizations, individual concerned landowners, conservation organizations, etc. Written notices and requests for information, public meetings, steering committee meetings, planning and coordinating meetings with federal, state, and local agencies and similar activities should be mentioned. This section should show that the procedures followed provide ample opportunity for the general public, organizations, and other agencies to raise issues and provide inputs. For the draft statement, list the agencies, conservation groups, and organizations that are being asked to comment on the draft environmental statement and which will be shown in Section VII in the Summary.

2. *Discussion and disposition of each comment on draft environmental statement.* (This section is to be included only in the final environmental statement.) List all agencies, groups, and individuals requested to comment on the draft environmental statement and indicate whether they responded. Summarize each *environmental* issue, problem, or objection raised during the formal interagency review of the draft environmental statement and the final work plan. Include the name of the agency, group, or individual making the comment, a meaningful reference to the issue raised, and what disposition was made of it. All issues raised, even though they may appear to have little or no merit, should be discussed, and all opposing views noted.

X. List of Appendixes

Appendix A—Comparison of Benefits and Costs for Structural Measures (This is the Table 6 (modified) from the work plan but identified as Appendix A).

Appendix B—Project Map (This is the same map, in color, used in the work plan).

Appendix C—Letters of Comment Received on the Draft Environmental Statement (This item will be included in both the draft and final environmental statement. However, on the draft statement add the following: "to be included in the final environmental statement").

Other Appendices as Appropriate—
XI.

Approved by _____
Name and title
Date _____

Note: Appendixes to be attached following page on which signature appears.

[FR Doc.74–12676 Filed 5–31–74:8:45 am]

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MONDAY, JUNE 3, 1974
WASHINGTON, D.C.
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PART IV

SMALL BUSINESS ADMINISTRATION

■

SMALL BUSINESS INVESTMENT COMPANIES

Guidelines for Audit and Financial Reports

SMALL BUSINESS ADMINISTRATION

[13 CFR Part 107]

SMALL BUSINESS INVESTMENT COMPANIES

Proposed Guidelines

Notice is hereby given that pursuant to the authority of section 308(c) of the Small Business Investment Act of 1958, (Act), 15 U.S.C. 687, it is hereby proposed to amend, as set forth below, Part 107 of Chapter 1, Title 13 of the Code of Federal Regulations, by amending §§ 107.1, 107.202, 107.203, and 107.-1102(e) and by adding Appendices A, B, and C. Prior to adoption of such amendments, consideration will be given to any comments which are submitted in writing, in triplicate, to the Investment Division, Small Business Administration (SBA), Washington, D.C. 20416, on or before June 28, 1974.

Information. The Audit and Examination Guide for Small Business Investment Companies and the Instructions for the preparation of Financial Report, SBA Form 468, prior to the current revision were issued as Appendices 1 and 2, respectively, to Part 107 of the SBA Regulations. The System of Account Classifications was issued as Part 111 of SBA regulations. Revision 5 of Part 107 of the SBA regulations does not include Appendices 1 and 2 and Part 111 of the SBA regulations was repealed, effective November 7, 1973.

The amendments proposed herein incorporate, (a) the Audit Guide for Small Business Investment Companies, (b) Guide for the Preparation of the Annual Report (SBA Form 468), and (c) System of Account Classifications as Appendices A, B, and C, respectively, to Part 107 of SBA regulations. Accordingly, §§ 107.1, 107.202(c), 107.203(d), and 107.1102(e) of the regulations are being amended to reflect the addition of the above named revised guidelines as Appendices to Part 107 of the SBA regulations. Such guidelines have been revised to accomplish the following objectives:

1. While adhering to the legislative and regulatory requirements of the SBIC Program, (a) implement the accounting policies and reporting guidelines expressed by the American Institute of Certified Public Accountants in their audit guide for investment companies and (b) change certain accounting policies so as to bring the prescribed accounting policies more in accordance with generally accepted accounting practices,

2. Re-align the Annual Report, SBA Form 468, by separating the financial statements from the supporting data, and

3. Update accounting system to reflect recent accounting and program changes.

Accounting Principles. As a general rule, SBICs are to follow generally accepted accounting principles. The proposed guidelines identify some of the more significant accounting principles and reporting practices licensees are expected to follow. Also there are two significant changes in accounting and reporting practices. First, loans and investments will be reported on the value basis rather than the cost basis with a provision for losses. Second, gain on sale of securities will be realized at the point of sale rather than at the point of collection.

Audit Guide for Small Business Investment Companies—Appendix A. The Audit Guide is designed to assist the accountant in those areas that are distinctive in the SBIC Program, and does not attempt to identify specific procedures to be followed in the examination. Accordingly, the accountant will follow generally accepted auditing standards in performing the audit.

The report is to be a short-form report as illustrated in the audit guide rather than the long-form special type report as previously required.

The audit is to be an examination of the licensee's financial statements. Accordingly, the statements contained in the Financial Report, Part I of SBA Form 468, will be the basis of the accountant's opinion. The examination, however, is not expected to be extended to the schedules contained in the Management Report, Part II of SBA Form 468 as previously required.

Guide for Preparation of Annual Report—Appendix B. The Guide has been designed as a practical explanation of how the Annual Report, SBA Form 468, is to be prepared and the source of the information reported. Although the format of the Annual Report is standard, the licensee will be expected to include only those statements and schedules that pertain to his operations.

The SBA Form 468 has been redesigned to be a two part report:

Part I—Financial Report
Part II—Management Report

The purpose of a two part report is to distinguish between the primary financial information and the supporting analytical data. The proposed report attempts to obtain a better measurement of loans and investments by grouping them accordingly to (a) Portfolio Securities, (b) Assets Acquired in Liquidation of Portfolio Securities and (c) Other Securities.

The Financial Report will contain the financial statements as audited by the licensee's independent accountant, the accountant's report, a schedule of loans and investments, and notes to the financial statements. It should be noted that the format of financial statements is significantly different from those previously required. Such changes result primarily from accounting and reporting practices recently expressed by the American Institute of Certified Public Accountants in its industry audit guide for investment companies.

The Management Report is designed to present analytical data for evaluation of the licensee's operations on a functional basis. Accordingly, the format of the report is designed primarily to provide:

1. An overview of Licensee's operations,
2. An analysis of unrealized gain (loss) on securities held,
3. Activity and status of portfolio securities,
4. An analysis of assets acquired in liquidation of portfolio securities and,
5. Other data.

The report is essentially comprised of schedules (pages 6 through 20) of the SBA Form 468 as previously required. The Overview and Analysis of Unrealized Gain (Loss) on Securities Held are new requirements. Measurement of the activity and status of loans and investments remains essentially the same as the prior requirements. Certain modifications, however, have been made with respect to unrealized appreciation and assets acquired in liquidation of portfolio securities.

System of Account Classification—Appendix C. The system of accounts remains basically unchanged. A brief statement of accounting principles Licensees are expected to follow has been added. Also, several accounts have either been added or deleted to reflect recent changes in the program as well as changes in accounting principles and reporting practices.

Dated: May 22, 1974.

THOMAS S. KLEPPE,
Administrator.

PART 107—SMALL BUSINESS INVESTMENT COMPANIES

The following amendments or additions are proposed:

1. The table of contents is amended to add Appendices A, B, and C as follows:

APPENDICES

A Audit Guide for SBICs
B Guide for the preparation of the Annual Report, SBA Form 468
C System of Account Classifications

2. Section 107.1 is revised to read as follows:

§ 107.1 Scope of Part 107.

The regulations in this part implement the Small Business Investment Act of 1958, as amended. All Licensees, including section 301(d) Licensees, must comply with all applicable regulations including Appendices.[1]

3. Paragraph (c) of § 107.202 is revised to read as follows:

§ 107.202 Leverage in excess of two hundred percent.

* * * * *

(c) The term "Total funds available for Investment" shall mean ninety percent of the sum of total current assets and loans and investments net of current maturities and net of unrealized appreciation. (Based on the Statement of Financial Position, "total current assets" is the aggregate of lines 14 through 22 and "loans and investments net of

[1] The accounting guidelines for SBICs (Audit Guide for SBICs Guide for the Preparation of the Annual Report, SBA Form 468, and the System of Account Classifications) are incorporated in this part of the regulations as Appendices A, B, and C.

current maturities and net of unrealized appreciation" is line 12 minus the total of column 3, line 10.) Venture capital investments shall be valued on the same basis as Licensee's assets comprising its "total funds available for investment." Any financing carried as "Assets Acquired in Liquidation of Portfolio Securities" which originally qualified as Venture Capital shall retain the Venture Capital qualification.

* * * * *

4. Paragraph (d) of § 107.203 is revised to read as follows:

§ 107.203 SBA purchase, sale, or guaranty of securities evidencing leverage; events of default.

* * * * *

(d) In addition to the events of default set forth in paragraph (b)(6), capital impairment occurring after November 7, 1973, shall also constitute an event of default if Licensee fails to give SBA prompt written notice as soon as it knows or should reasonably have known thereof, and if thereafter Licensee fails to cure the impairment within time limits set by SBA in writing. In such event, SBA may, in its discretion, by written notice declare the entire indebtedness of the Licensee, issued to, held or guaranteed by SBA, immediately due and payable. Capital impairment shall be presumed when the Undistributed Realized Earnings Deficit (line 47 and 48 of the Statement of Financial Position) of a section 301(d) Licensee exceeds one hundred percent or that of any other Licensee exceeds fifty percent of private capital. Treasury stock shall not be considered as part of such Private Capital. The presumption of impairment may be rebutted by evidence satisfactory to SBA.

5. Paragraph (e) of §107.1102 is revised to read as follows:

§ 107.1102 Records and reports.

* * * * *

(e) *Annual Report to SBA.* Each Licensee shall submit to SBA, at the end of each fiscal year, a report containing financial statements for the fiscal year as well as management information. When requested by SBA, interim reports may be required, i.e., financial statements and/or management information. The reports are to be prepared in accordance with Appendix B, *Guide for the Preparation of the Annual Report, SBA Form 468*, and shall be filed on the prescribed SBA Form 468, in triplicate, with the Investment Division, SBA, on or before the last day of the month immediately following the end of the reporting period (in the case of interim reports), and on or before the last day of the third month following the end of the reporting period (in the case of the Annual Report). The financial statements contained in the Annual Report will be examined by the Licensee's SBA-approved independent public accountant in accordance with Appendix A, *Audit Guide for Small Business Investment Companies*. 1940 Act Companies should refer to the rules of the Securities and Exchange Commission for the reports to be filed with SEC.

* * * * *

6. Appendix A is added and reads as follows:

APPENDIX A.—AUDIT GUIDE FOR SMALL BUSINESS INVESTMENT COMPANIES

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I. INTRODUCTION

A. *Statement of policy.* The independent public accountant engaged to examine the financial statements of a Small Business Investment Company (SBIC) is responsible to insure that the audit is made in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants (AISPA). The auditor will also follow the provisions of this Guide as well as the Audit Guide for Investment Companies issued by the AICPA in September 1973 to be effective December 31, 1974.

In carrying out the stated policies of SBA, and specifically the SBIC program, independent public accountants engaged in the practice of public accounting are expected to participate in their own localities in the audit program of SBICs.

This Audit Guide for SBICs (SBA Audit Guide) was prepared by the Small Business Administration (SBA) and is being submitted to the AICPA for comment. Any inquiries or comments relating to the examination of financial statements of SBICs or to the auditing and reporting procedures should be directed to the Staff Accountant, Investment Division, Small Business Administration, 1441 L Street, NW., Washington, D.C. 20416.

B. *Purpose of the guide.* The SBA Audit Guide has been written primarily to assist auditors of SBICs in performing their financial examination by focusing on matters that are unique to the SBIC program and the venture capital industry. It should be noted that this Guide is not intended to be a substitute for the accountant's judgment as to the work required to meet generally accepted auditing standards and to render adequate and meaningful reports.

C. *AICPA and SBA audit guide relationships.* Although the accounting principles and auditing procedures set forth in the Investment Company Audit Guide issued by the AICPA (AICPA Audit Guide) are intended to apply to all investment companies; the AICPA's guide was written primarily for the guidance of auditors of mutual funds and closed-end companies registered with the Securities and Exchange Commission under the Investment Company Act of 1940, as amended (the 40 Act). The AICPA's Guide recognized that several types of investment companies exist and that SBICs and venture capital companies are unique in many fundamental respects. Accordingly, Appendix E of the AICPA's Guide highlights several of these characteristics. The SBA Audit Guide for SBICs is intended to deal more specifically with areas that are unique to SBICs.

The auditor should recognize that the financial statement presentation of the AICPA's Guide differ in certain respects from the requirements of the SBA Guide. Such differences occur because the AICPA's Guide is broad in scope and applies to all types of investment companies, whereas the SBA's Guide is narrow in scope and applies to a specific type of investment company, i.e., SBIC most of which are not registered with SEC under the Investment Company Act of

1940. Accordingly, the auditor is expected to follow the requirements of the SBA Guide, and related instructions.

II. SMALL BUSINESS INVESTMENT COMPANY INDUSTRY

A. *History and nature.* In 1958, Congress established the Small Business Investment company program. SBICs are privately owned, SBA licensed and regulated companies whose primary purpose is to provide equity capital and long-term financing to small firms for the sound financing of their business operations and for their growth, expansion and modernization. SBICs may also provide management assistance to small business concerns.

For the purposes of the SBIC program, a concern is considered small on one of two bases: (1) Its assets do not exceed $7.5 million, its net worth is not more than $2.5 million and its most recent two-year average income after taxes does not exceed $250,000; or (2) the concern qualifies under the regular business loan size standards Part 121 of the SBA rules and regulations. The statutory minimum private capitalization of an SBIC (hereafter referred to as Licensee) is $150,000. SBA may require higher private investment, depending on the area to be served and the prospect for sound and profitable operations.

The SBA may purchase debentures of a Licensee to augment the funds available to the Licensee for investment and may also guarantee debentures of the Licensee which are issued to others. Such debentures, whether purchased or guaranteed by the SBA are, unless otherwise determined by the SBA, subordinated and may have terms of up to 15 years. The total principal amount of outstanding debentures purchased or guaranteed by the SBA and issued to any particular Licensee may, in general, not exceed at any one time an amount equal to twice such Licensee's capital and paid-in surplus or $15 million, whichever is less. However, Licensees specializing in venture capital financing and capitalized at $500,000 or more may qualify for leverage in an amount equal to three times their capital up to an aggregate of $20 million.

Prior to the 1972 Amendments to the Small Business Investment Act of 1958, SBA had administratively created a special class of Licensee's to encompass SBICs which were engaged solely in financing Small Business Concerns owned and managed by persons whose participation in the free enterprise system is hampered by social or economic disadvantages. These special Licensees were legislatively recognized by the 1972 Amendments to the Act and are now designated as "301(d) Licensees." Pursuant to these Amendments, SBA may purchase cumulative, nonvoting preferred stock of a 301(d) Licensee and may also purchase or guarantee a 301(d) Licensee's debentures, subject to certain specified restrictions as to the total amount of such securities which may be purchased and outstanding at any one time.

In addition to being regulated by SBA, certain Licensees are registered with the Securities and Exchange Commission (SEC) under the Investment Company Act of 1940, and, accordingly, are subject to regulation by SEC as well as SBA.

Licensees are different from other types of investment companies, particularly mutual funds. Licensees provide funds directly to the Small Business Concern rather than buying their securities for investment in the market place. Licensees usually become financial partners with the Small Business Concern in the sense that there is a working relationship between the investor and the investee. Investments are often made in packages (combinations of debt, convertible issues, warrants, preferred and common stock) and involve rights not normally associated with traditional securities (right of inspection, attendance at board meetings, first refusals on financings, etc.) Finally, Licensee's financings are usually for long-term or equity type investments which tend to cause such financings to be illiquid.

B. *Regulations and procedural releases.* Part 107 of SBA rules and regualtions implements the Small Business Investment Act of 1958, as amended, and applies to Licensees.

Included in part 107 of SBA Regulations are three appendices:

Appendix:	*Title*
A-------	Audit Guide for SBICs.
B-------	Guide for the preparation of the Anual Report, SBA Form 468.
C-------	System of Account Classifications for SBICs.

In addition to the above referenced appendices, the accountant should be familiar with Policy and Procedural Release No. 2006 which sets forth the valuation guidelines to assist licensees in valuing their securities.

C. *Accounting system.* Under Appendix C to Part 107 of the SBA rules and regulations. (formerly Part 111 of the SBA rules and regulations) SBA has prescribed a standard accounting system to be used by licensees.

The System of Account Classification is based on the double-entry system of accounting and is on the accrual basis of accounting. By design, it is basic and can be expanded to meet the needs of a particular licensee.

Section 107.1102 of the SBA rules and regulations provides further instruction concerning preservation of records and other reporting requirements.

III. ACCOUNTING POLICIES SUMMARIZED

A. *General.* As a general rule, accounting policies followed by licensees are those promulgated by the American Institute of CPA's as generally accepted accounting principles and practices. Certain of these principles and practices are prescribed in the AICPA's audit guide.

B. *Valuation of securities.* The general practice in the investment company industry is to disclose, in one form or another, valuation of securities at quoted market values or, in the absence of quoted values, at fair values determined by the company's Board of Directors in good faith.

The investments of Licensees, however, often are venture-type investments that complicate the determination of value. The investee, in such cases, is usually a closely held, immature and often illiquid Small Business Concern whose stock is not publicly traded but the Concern usually has aspirations to go public. In addition, there may be weaknesses in the Concern's management. For these and other reasons, cost may be the most appropriate measure of value of venture-type securities until there is sufficient objective data available to the Licensee's Board of Directors to form a basis for valuing the securities at other than cost.

SBA has set forth guidelines in SBA Policy and Procedural release No. 2006 to assist the Directors of Licensees in valuing their securities. Accordingly, the auditor should satisfy himself that the valuation guidelines issued by SBA, or other reasonable methods, are used in valuing securities.

Additional guidance for the valuation of securities is given in Chapter 3 of the AICPA Audit Guide and in Accounting Series Releases 113 and 118 issued by the SEC.

C. *Realized gain (loss) on sale of securities.* The term "Securities" includes portfolio securities, assets acquired in liquidation of portfolio securities (as well as successor assets to those originally acquired in such liquidation), invested idle funds and other securities. In general, gain or loss on the sale of securities will be realized when the sale occurs and where the sale represents a final transaction. In those instances where part of net sales price is other than cash, the accounting policy will be that cash first applies to recovery of cost and then to gain. Accordingly, non-cash gain on sale of securities will be unavailable for capitalization or dividend distribution until received by a Licensee in cash (money, checks, or negotiable money orders), demand certificates of deposit issued by banks which are members of the Federal Deposit Insurance Corporation, and/or negotiable direct obligations of the U.S. Government.

Losses are recognized at the point of sale and are shown as a reduction of undistributed net earnings realized. They have no effect on non-cash gains.

Any transaction with recourse upon the Licensee or involving any understanding agreement, option, privilege, or other rights to repurchase by and/or resell to the Licensee may not be considered a final transaction. Any reacquisition of the securities by the Licensee, resulting from prior agreements or rights, shall be construed by SBA as a nullification of the original sale transaction.

Any gain on sale of securities which does not qualify as realized gain in accordance with the foregoing shall be deferred pending such realization.

D. *Unrealized gain (loss) on Securities held.* Unrealized gain (loss) on securities held is the result of the valuation process by the licensee's Board of Directors of loans and investments held at the statement date. It represents both the valuations of securities above cost (unrealized appreciation) as well as valuation below cost (unrealized depreciation). Unrealized gain (loss) on securities held represents the gain or loss the licensee would have realized on its loans and investments had they been sold at the statement date after providing for taxes on net unrealized gains.

The Statement of Operations measures the realized activities of a licensee that can be objectively measured. Unrealized gain (loss) on securities held is in many ways a subjective determination by a licensee; therefore, measurement in a separate statement would be most appropriate with the final results being reflected in the equity section of the Statement of Financial Position.

E. *Reporting entity.* The auditor should bear in mind that the reporting entity being audited is the licensee including its securities that are being held for investment as well as other securities and assets. Those securities and assets that are held for investment are reported on the fair value basis.

Under certain circumstances, a licensee may temporarily own more than 50 percent equity position in a financed concern. Such investments are to be reported on the fair value basis and classified as loans and investments rather than being reported on a consolidated basis with the licensee.

The licensee may hold an investment in a 301(d) licensee and/or have a wholly owned management consulting subsidiary. Such securities would not be considered held for investment but are considered held for long-term operating purposes.

F. *Equity method of accounting for investments in common stock.* "Equity" method of accounting for investments in common stock is not to be confused with the "fair value" method of reporting portfolio securities. Under the equity method, an investor initially records an investment in the stock at cost, and adjusts the carrying amount of the investment to recognize the

investor's share of the earnings or losses of the investee after the date of acquisition. The amount of the adjustment is included in the determination of net income by the investor. Dividends received from an investee reduce the carrying amount of the investment. Accounting Principles Board Opinion No. 18 issued in March 1971 by the AICPA specifically does not apply to Licensees whether or not registered under the Investment Company Act of 1940 as explained in paragraph 2 of that Opinion.

The AICPA Audit Guide states that investments in other than portfolio securities which meet the criteria of APB Opinion No. 18 should be carried on the equity basis. As applied to Licensees, this would only apply to investments in section 301(d) Licensees. In those cases where a 301(d) Licensee is a subsidiary of another Licensee, such subsidiary should be reported as an unconsolidated subsidiary by the parent Licensee.

G. *Policy on consolidated financial statements.* Consolidated Financial Statements are to be filed with SBA only where the Licensee has a management consulting subsidiary. Under SBA Regulations, management consulting subsidiaries are to be wholly owned and are to be reported on a consolidated basis with the Licensee parent.

Operating concerns classified as assets acquired in liquidation may qualify as subsidiaries but will be reported as unconsolidated subsidiaries and on the fair value basis.

H. *Accounting for dividend and interest income.* 1. *Dividend income.* As a general rule, cash dividends on investment securities are recorded as of the record date. Occasionally, cash distributions represent a return of capital rather than current income to the recipient Licensee. In such cases, the distributions should be credited to the investment account rather than to income.

Stock splits and dividends in stock of the same class as that owned, are not recorded as income since the Licensee's equity interest in the company declaring the dividend or split has not changed.

Dividends in kind are generally recorded as income at the fair value of the property received. When the recipient Licensee has the option to receive cash or stock, income should be recorded for the amount of cash that could have been received. When stock rights are received, a portion of the cost basis of the related investment may be allocated to the rights on a pro rata cost basis.

2. *Interest income.* Interest income on loans to Small Business Concerns is normally accrued on a monthly basis. Unearned discounts are an adjustment of interest income and are to be amortized over the stated life of the loan.

Interest income on loans and investments should not be accrued if the portfolio concern is in default to the licensee more than 6 months or the concerns' ability to make the interest payments is doubtful, i.e., impending bankruptcy, etc.

Interest on invested idle funds is usually accrued on a monthly basis and discounts are an adjustment of the interest rate.

I. *Income tax allocation policy.* The auditor should be guided by the provisions of Accounting Principles Board Opinion No. 11 concerning income tax allocation policy. Timing differences may exist between accounting income and taxable income due to items such as provision for losses on portfolio securities. In such cases, a deferred credit or charge, whichever the case may be, should be established.

IV. Reporting Requirements

A. *Annual financial report.* The Small Business Administration, under authority granted by the Small Business Investment Act of 1958, as amended, (1958 Act) requires Licensees to have an audit (financial examination) made of their accounts and records annually by independent public accountants approved by SBA. The annual audit shall be performed as of the close of the Licensee's fiscal year.

Three copies of the accountant's report including the Financial Report prepared on forms contained in Part I, SBA Form 468, shall be submitted to SBA by the Licensee as soon as practicable after completion and no later than the last day of the third month following the close of the period covered by the audit. Attached to the inside of the back cover of each copy of the audit report should be a copy of any transmittal letter, special reports, or similar communications furnished to the Licensee by the auditor. If adjusting entries are furnished to the Licensee with the report, they should be submitted to SBA.

B. *Reporting irregularities.* The independent public accountant shall promptly inform a responsible official of the Licensee and the Deputy Associate Administrator for Investments, Investment Division, Small Business Administration, 1441 L Street, NW., Washington, D.C. 20416 concerning apparent defalcations or other financial irregularities that may come to his attention in connection with his examination. Based on available information, he will indicate the nature and extent of such defalcations or other irregularities.

C. *Regulated investment companies.* Concerning Licensees that are registered with the Securities and Exchange Commission, additional reports are required by SEC which are identified in Chapter 1 of the AICPA's Audit Guide. It should be noted that any report submitted by a Licensee to the SEC shall also be submitted to the Investment Division, Small Business Administration, 1441 L Street, NW., Washington, D.C. 20416.

D. *Special management reports.* Frequently the independent public accountant will render special reports to the Licensee's management. Examples are reports on evaluation of internal control or evaluation of specific portfolio concerns. A copy of such reports shall also be promptly submitted by the Licensee to the Investment Division, Small Business Administration, 1441 L Street, NW., Washington, D.C. 20416.

V. Qualification and Selection of Audit
V. Qualification and Selection of Auditor

A. *Qualification of accountants.* Any public accountant, certified or licensed by a regulatory authority of a State or other political subdivision of the United States, who is independent and who is duly authorized to practice as a public accountant, and is in good standing under the laws of the State or other comparable authority in which so authorized, may be considered qualified to render an opinion as an independent public accountant on behalf of a Licensee whose office is located in such State or Authority. Effective December 31, 1975, only a certified public accountant may be considered qualified to render an opinion as an independent public accountant on behalf of a Licensee except that those licensed public accountants who have received their licenses on or before December 31, 1971, will also be considered similarly qualified.

B. *Independence.* Accountants approved by SBA as auditors of a licensees are to follow the code of professional ethics adopted by the American Institute of CPA's. In determining whether an accountant may in fact be not independent with respect to a particular Licensee, SBA will give appropriate consideration to all relevant circumstances, including evidence bearing on relationships between the accountant and such Licensee or any affiliate thereof.

Accordingly, an accountant or a firm of which he is a partner or shareholder shall not express an opinion on financial statements of a licensee unless he and his firm are independent with respect to such licensee. Independence will be considered to be impaired if, for example:

1. During the period of his professional engagement, or at the time of expressing his opinion he or his firm,

a. Had or was committed to acquire any direct or indirect financial interest in the licensee; or

b. Had any joint business investment with the licensee or any officer, director or principal stockholder thereof which was material in relation to his or his firm's net worth; or

c. Had any loan to or from the licensee or any officer, director, or principal stockholder thereof.

2. During the period covered by the financial statements, during the period of the professional engagement or at the time of expressing an opinion, he or his firm,

a. Was connected with the licensee as a promoter, underwriter or voting trustee, a director or officer or in any capacity equivalent to that of a member of management or of an employee; or

b. Was a trustee of any trust or executor or administrator of any estate if such trust or estate had a direct or material indirect financial interest in the licensee; or was a trustee for any pension or profit-sharing trust of the licensee.

C. *Selection of the auditor.* The responsibility for selecting the independent public accountant is vested in the Licensee's Board of Directors. Any accountant qualifying as an independent public accountant, as explained above, may be considered as having SBA approval to perform the annual audit (financial examination) upon selection by the Board, and the filing with SBA by such accountant of an executed IPA Certification, CO Form 112 (3-74) certifying as to his qualification and independence, unless advised otherwise by SBA.

It is strongly recommended that the Board give thorough consideration each year to the matter of selecting the public accountant to perform that year's audit. The Board under this policy selects an accountant with whom it agrees as to the scope of the engagement and basis of compensation. Notification of the Board's selection will be furnished to the Staff Accountant, Investment Division, Small Business Administration, 1441 L Street, NW., Washington, D.C. 20416. Notification to SBA is not necessary when the same accountant or accountants are retained for successive years.

Staff Accountant
Investment Division
Small Business Administration
1441 L Street, N. W.
Washington, D. C. 20416

IPA CERTIFICATION

Gentlemen:

I (we) have been selected by the Board of Directors of

_____ _____
(Name of licensed small business investment company) License Number

_____ _____
(Address of Licensee's principal office) (Zip code)

to conduct an annual examination of the Licensee's financial statements as of _____, 19__. In accordance with the provisions of Item V of the SBA Audit Guide for SBICs, (Check One):

☐ Independent* certified public accountant (or firm of CPAs).

☐ Independent* licensed public accountant (or firm of licensed PAs).

I certify that this accountant (or firm of public accountants) is authorized to practice in, and is in good standing under the laws of, t'e state or other jurisdiction in which the principal office of the Licensee is located, and accordingly, qualifies to perform the annual audit of the above named Licensee.

_____ _____
(Date) (Signature of individual practitioner or principal, if applicable)

_____ _____
(Date) (Signature of partner of accounting firm, if applicable)

_____
(Name under which individual practitioner or accounting firm is doing business)

_____ _____
(Business address) (Zip code)

*Independent within the meaning of this term as used by the Small Business Administration. SBA will not recognize any public accountant as independent who is not in fact independent. For example, an accountant will be considered not independent with respect to any small business investment company with which he has, or had during the period covered by the audit (financial examination), any direct financial interest or any material indirect financial interest; or with which he is, or was during such period, connected as a promoter, underwriter, voting trustee, investment adviser, director, officer, or employee, or in the capacity of rendering bookkeeping services.

CO FORM 112 (3/74) Previous Editions are Obsolete.

VI. SCOPE OF AUDIT

The independent public accountant's audit is to be an examination of the Licensee's financial statements in accordance with generally accepted auditing standards as expressed by the American Institute of Certified Public Accountants. The auditor is to make an examination of the Licensee's financial statements with the view of expressing an opinion as to whether the financial statements present fairly the financial position, changes in financial position, and results of operations in accordance with generally accepted accounting principles applies on a basis consistent with that of the preceding year. The audit is not to be a "compliance audit" in the sense that the independent accountant is expressing an opinion as to whether the Licensee is operating in accordance with the Act and Part 107 of SBA rules and regulations.

Management is responsible for the preparation of the Annual Report, SBA Form 468. The statements contained in Part 1 will be the basis for the auditor's opinion. It is expected that all audit adjustments will be recorded in the Licensee's records before completion of the audit report so that financial statements accompanying the report will agree with the books as adjusted as of the statement date, giving consideration to reclassifications of account balances for report purposes. If the adjustments are not so recorded on the Licensee's books, a statement should be made by the independent accountant to this effect.

The independent public accountant is expected to satisfy himself as to the reasonableness of the bases used by the Licensee's Board of Directors in determining the valuation of loans and investments. The auditor should determine and comment in his report as to whether the Licensee followed reasonable valuation methods and standards in valuing loans and investments.

VII. LOAN AND INVESTMENT ACCOUNTS

A. *Investment objectives and policies.* The composition of a Licensee's loans and investments varies from one Licensee to another and reflects the Licensee's policies and objectives of investing that are being followed in practice. Such objectives may emphasize equity investments, loans or a balance between loans and equity investments. The portfolio may also be widely diversified or specialized as to industry or geographical area. In addition, the Licensee may choose to by a "301(d) Licensee" that is organized to be a profit or non-profit corporation with an investment policy limited to providing financing solely to Small Business Concerns which will contribute to a well-balanced national economy by facilitating ownership in such concerns by persons whose participation in the free enterprise system is hampered because of social or economic disadvantages. Such Licensees were formerly designated by the acronym "MESBIC."

The basic investment objectives adopted by management can be found in the Licensee's proposal to operate, registration statements, prospectus, or offering circular.

B. *Federal income tax provisions affecting investment accounts.* Licensees which elect to qualify as Regulated Investment Companies under Subchapter M of the Internal Revenue Code (Sections 851 to 855 of IRC) must meet the various requirements set forth therein which are summarized in Chapter 5 of the AICPA's Audit Guide. Also Item IX of this Guide summarizes the special income tax provisions that may apply to Licensees.

C. *Recordkeeping requirements relating to investment activity.* No specific recordkeeping system for investment activity is required other than that provided in the SBA's System of Account Classifications. However, the Licensee is to develop systems and maintain records sufficient to properly account for transactions and valuation of individual loans and investments.

Section 107.1102 of SBA rules and regulations specifies the records and documents which must be maintained and preserved by all Licensees. In Addition, Licensees registered under the Investment Company Act of 1940 are required to maintain and preserve those records specified in section 31 of such Act and the rules and regulations thereunder.

D. *Custody of securities.* A Licensee's management is expected to assume responsibility for the custody of securities. Accordingly, there is to be safekeeping for securities, usually a safe deposit box at a bank or other custodian with such safekeeping facilities, and dual control over withdrawal of securities from safekeeping is required (§ 107.1103 (b) of the SBA regulations.)

E. *Valuation of securities.* As stated in Item III of this Guide, a Licensee shall report its loans and investments at fair value. Value can be defined as: (a) The market value of securities where market quotations are readily available; and (b) fair value as determined in good faith by the Licensee's Board of Directors for other loans and investments, and securities which are not publicly traded.

The Board of Directors when valuing securities must consider the effect of factors having a bearing on the values of such securities even when they are traded on a recognized exchange where market quotations are available. Examples of such factors are a thin market, large holdings by the licensee that would adversely affect the market price if traded, or securities that are restricted.

Ordinarily, little difficulty should be experienced in valuing securities traded on a recognized securities exchange since the prices of transactions are published daily. If a security was traded on the valuation date, the last quoted sales price generally is used. However, if there were no sales on the exchange on the valuation date but published closing bid and asked prices are available, the valuation should be within the range of these quoted prices.

Quotations are available from various sources for most unlisted securities traded regularly in the over-the-counter market. Ordinarily, quotations for an over-the-counter security should be obtained from more than one broker/dealer unless available from an established market-maker for that security. Quotations for several days should be used and the valuation should be within the range of these quotations.

Regarding securities that are not publicly traded, it is incumbent upon the Board of Directors to satisfy themselves that all appropriate factors relevant to the value of securities for which market quotations are not readily available have been considered and to determine the method of arriving at the fair value of each such security. To the extent considered necessary, the Board may appoint persons to assist it in the determination of such value. However, the Board must review continuously the appropriateness of the method used in valuing each loan and investment in the Licensee's portfolio.

As stated in Accounting Series Release No. 118 of SEC, no single standard for determining fair value in good faith can be laid down, since fair value depends upon the circumstances of each individual case. The Board is to follow the guidelines set forth in SBA Policy and Procedural Release No. 2006 and should be guided by the SEC's accounting Series Release No. 113 in valuing loans and investments or other reasonable methods.

F. *Audit procedures.* The auditing procedures relating to the investment accounts of investment companies require greater attention than those of a commercial enterprise because of the relative significance of such assets. In either case, the independent auditor should evaluate the internal accounting controls as a basis for determining the extent of his examination. The auditing procedures outlined in the AICPA's Audit Guide should be followed to the extent appropriate. Concerning valuation of securities: *The licensee's board of directors has the sole responsibility for valuing securities in good faith.*

The auditor is not to be an appraiser in the sense that he is to determine the value of the Licensee's securities. He is, however, expected to review the methods and evidential matter used by the Board of Directors in their determinations of fair value. He is further expected to comment in his report on the reasonableness of such practices and adequacy of such information.

VIII. CAPITAL ACCOUNTS

A. *3 percent cumulative preferred stock.* As part of the leverage funds provided to a 301(d) Licensee, SBA may purchase 3 percent cumulative preferred stock from the Licensee. Such preferred stock, while considered to be part of equity, is not considered paid-in capital or paid-in surplus for leverage or regulatory purposes.

The rights of the preferred stockholder (SBA) are set forth in § 107.205(a)(2) of the SBA regulations.

B. *Unrealized gain (loss) on securities held.* As stated in Item III of this Guide, Unrealized Gain (Loss) on Securities Held represents the net gain (loss) after tax effect that the Licensee would realize if the loans and investments were sold at the statement date, but as if in the normal course of business.

Included under this caption are three capital accounts, described as follows:

1. *Unrealized appreciation on securities held.* This is the amount by which fair value of the Licensee's loans and investments exceeds cost.

2. *Unrealized depreciation on securities held.* This is the amount by which fair value of the Licensee's loans and investments is less than cost.

3. *Estimated income taxes.* This is a provision for taxes on the net amount of unrealized appreciation or (depreciation) and the offset being a deferred credit or deferred charge.

The auditor should recognize that Unrealized Gain (Loss) on Securities Held results from valuation of Loans and Investments by the Licensee's Board of Directors. Such valuation usually is a judgmental estimate which involves uncertainties that are difficult to quantify. Accordingly, the reliability of the unrealized gain (loss) on securities held will not be as great as realized gain (loss) on sale of securities because the latter is based on transactions that are objectively measurable. The auditor, then, must satisfy himself that the methods used by the directors in valuing securities are reasonable and that the evidential matter is adequate.

C. *Undistributed realized earnings.* Undistributed Realized Earnings is the cumulative balance of periodic net investment income including realized gain (loss) on securities sold, less dividend distributions whether cash, stock or dividends in kind. Included are non-cash gains on securities sold, i.e. notes, securities or other assets received. Such non-cash gains will not be available for capitalization or dividends until such assets are converted to cash. Accordingly, undistributed realized earnings will be reflected in two capital accounts: (1) Non-Cash Gains on Sale of Securities and (2) Undistributed Net Realized Earnings.

Finally, non-cash gains will not be realized if uncertainty as to the ultimate realization of the gain in cash is so great that business prudence, as well as generally accepted accounting principles, would preclude such recognition.

IX. Other Matters

The independent auditor should satisfy himself that investment company accounts not specifically mentioned in this audit guide or the AICPA Audit Guide are maintained in accordance with generally accepted accounting principles and audited in accordance with generally accepted auditing standards for other commercial enterprises.

A. *Compensating balances.* If those instances where idle funds are encumbered or are being used as "compensating balances," the auditor will disclose the nature and extent of such encumbrance in a note to the financial statements.

In the compensating balance is a formal arrangement, the funds should be reclassified to either other current assets or other assets, whichever would be appropriate.

B. *Taxes.* Licensees receive special tax treatment in a number of areas. The effect is to allow certain exclusions or additional deductions without the limitations prescribed for other corporations.

A Licensee operating under the 1958 Act is allowed a 100 percent dividends received deduction for dividends received by it from a taxable domestic corporation. To claim this 100 percent deduction the Licensee must file with its return a statement that it was a Federal Licensee under the 1958 Act at the time of the receipt of the dividends.

An ordinary loss, rather than a capital loss, can be taken on the sale or exchange of security investments in convertible debentures or stocks acquired pursuant to the conversion privileges of such debentures. Capital losses on other investments receive no special treatment. A Licensee must submit with its tax return a statement that it is a Federal Licensee under the 1958 Act setting forth the name and address of the Small Business Concern with respect to whose securities the loss was sustained, the number of shares of stock or the number or denomination of bonds, the basis and selling price, and the respective dates of purchase and sale or the reason for their worthlessness and the approximate date thereof.

Special provisions are provided for reserve for losses on loans of Licensees and they may obtain special treatment for net operating losses and may be excluded from the definition of a personal holding company.

A shareholder in a Licensee may treat a loss on such stock as an ordinary loss and in the case of a noncorporate shareholder such loss is considered a loss from a trade or business.

A Licensee may choose to be taxed as a Regulated Investment Company. To do so, it must meet the requirements of sections 851 to 855 of Internal Revenue Code. Such requirements are outlined in Chapter 5 of the AICPA Audit Guide.

For taxable years beginning after December 31, 1975, net operating losses may be carried back 10 taxable years and forward 5 taxable years following the taxable year of such loss.

Finally, there is no excess accumulated earnings tax assessed to a Licensee provided it utilizes such earnings and profits for additional loans and investments.

C. *Interest expense—301(d) licensees.* Section 317 of the Small Business Investment Act provides for "interest subsidy" on leverage funds obtained by 301(d) Licensees from SBA. Because the interest subsidy must be paid at some point in time (§ 107.205(a)(2)(IV) of the SBA rules and regulations), the interest subsidy should be treated as deferred payment of interest expense. Accordingly, the interest subsidy should be recognized as an expense in the period to which the interest subsidy applies with a corresponding entry to accrued interest payable.

D. *Reserve for guarantees.* Funded reserve for guarantees as described in § 107.501(f) of the SBA rules and regulations indicates that "funded reserve" equal to 10 percent of all guarantees will be maintained by the Licensee.

The auditor should recognize that SBA does not intend that assets be segregated and a funded reserve be maintained in the true sense of the term. Rather, the Licensee is considered to be in compliance with § 107.501(f) of the regulations if the Licensee's total cash and invested idle funds equal 10 percent of guarantees outstanding.

E. *Notes and debentures payable to or guaranteed by SBA.* As outlined in Item IIA, a primary advantage of the SBIC program is the ability of licensees to acquire long-term leverage funds from SBA. Usually the terms and conditions set forth in § 107.203(b) of SBA rules and regulations are incorporated in the debenture as covenants to the agreement.

Section 107.203(b)(1)(iii) provides that the entire indebtedness of the Licensee may be declared immediately due and payable for:

* * * Failure of the Licensee, as determined by SBA, to comply with any one or more of the provisions of the Act or regulations promulgated thereunder, as they may be amended from time to time * * *. Demand in such cases will be made in a letter from SBA specifying the violations that have occurred and that funds owed the SBA are due and payable in accordance with the acceleration provisions of the debentures. The violations which cause demand to be made are usually those which are significant and include such areas as conflicts of interest, control of small business concerns by the licensee, overline investments and any other such major acts which might be determined by SBA to be contrary to the Act and regulations. It should be noted that in such cases demand is viewed as a means to protect the SBA's position as a creditor usually after other efforts have been unsuccessful.

In those instances where the licensee fails to maintain either the capital requirement or the investment ratio (See section 303(b)(2) of the Act or §§ 107.203(b)(6) and 107.203(d) of the regulations) SBA may in its discussion upon written notice consider part or all of the licensee's long-term debt to be due and payable. Written notice is not required, however, for the long-term debt to be considered due and payable when any of the four conditions set forth in § 107.203(b)(2) exist.

Should the auditor have difficulty in determining whether demand has been or is about to be made on such long-term indebtedness, he may consider requesting a positive confirmation from the Deputy Associate Administrator for Investment, Small Business Administration, 1441 L Street, NW., Washington, D.C. 20416, as to whether the licensee is in violation of the Act or regulations as of the statement date and as a result whether demand is being made by SBA on the long-term debt.

X. Fidelity Bond

A. *Need for bond.* The Fidelity Bond requirements are set forth herein principally for the guidance of the Licensee in meeting its obligation to conform to such requirements.

Each Licensee shall obtain and maintain a Fidelity Bond, which must be executed by a Surety holding a certificate of authority from the Secretary of the Treasury pursuant to section 6–13 of Title 6 of the United States Code as an acceptable Surety on Federal Bonds. Each officer and employee who has control over or access to cash, securities, or other property of the Licensee shall be covered by such Fidelity Bond. The form of Bond must meet the provisions of paragraphs B through D below.

B. *Type of bond.* The Fidelity Bond may be issued on a "Discovery" or "Loss-Sustained" basis. Each Bond shall contain minimum coverage equivalent to Insuring agreements (A) Fidelity, (B) On Premises, and (C) In Transit provided in Finance Companies Blank Bond Standard Form 15 and 14. Equivalent insurance coverage, as previously stated, constitutes satisfactory coverage. Insuring Agreements covering (D) Forgery or Alteration, (E) Securities, and (F) Counterfeit Currency, Misplacement Coverage, and Electronic Data Processing Coverage are not required. The Bond shall also contain a rider or endorsement providing that the Surety will notify the SBA Investment Division of its intent to cancel the Fidelity Bond at least 30 days in advance of the effective date of cancellation. At the option of the Licensee a loss deductible clause not to exceed $1,000 will be permissible under all of the insuring agreements.

A Licensee, including a bank-owned or controlled Licensee, may be covered as a joint insured under a Fidelity Bond if the coverage meets the above requirements.

C. *Minimum coverage.* The minimum amount of fidelity bond for each Licensee acceptable to SBA shall be $25,000.

D. *Cancellation and claims by the licensee.* Each Licensee, at least 30 days prior to making any request to the Surety to terminate or cancel such bonds, shall notify SBA in writing of its intent to terminate or cancel the bond. Each Licensee shall notify SBA immediately in writing of any claim for loss filed under the bond with the Surety. Such notifications to SBA shall be by certified mail addressed to the Deputy Associate Administrator for Investment, Investment Division, Small Business Administration, 1441 L Street NW., Washington, D.C. 20416.

E. *Licensees regulated under the Investment Company Act of 1940.* Licensees that are regulated by SEC under the Investment Company Act of 1940 shall also comply with the Fidelity Bond requirements set forth in section 270.17g–1 of the SEC rules and regulations. Therefore, SBICs that are regulated by SEC under the 1940 Act are to comply with such requirements.

XI. Financial Statements

The financial statements of Licensees are directed to the presentation of financial position, changes in financial position and results of operations. Such statements constitute the Financial Report, Part I of SBA Form 468, and are required to be presented in the prescribed format.

The financial statements required for licensees differ in certain respects from those suggested in the AICPA's Audit Guide. Such deviations are not at variance with generally accepted accounting principles and reporting practices. The opening paragraphs of Chapter 7 of the AICPA's Guide support this view:

The financial statements illustrated in this chapter are for typical open-end management investment companies and may need to be modified to fit the requirements of other types of investment companies.

In all instances, the management of investment companies and the auditor should be cognizant of the need for reporting in a manner which properly highlights significant information for shareholders and other interested parties. Content and format of reports required by regulatory authorities, e.g., the Securities and Exchange Commission and Small Business Administration, are, of course, governed by the requirements of the applicable form and related rules, regulations, and instructions.

It should be noted that SBA Policy and Procedural Release No. 2013 provides detailed instructions for the preparation of the An-

nual Report, SBA Form 468. The following is a brief description of the financial statements, supplementary schedules and, when applicable, standard footnotes.

A. *Statement of financial position.* The Statement of Financial Position is presented in a conventional Balance Sheet format rather than the Statement of Assets and Liabilities or the alternate Statement of Net Assets as suggested by the AICPA's Audit Guide for most investment companies. Because of the relative importance of loans and investments, they are shown as the first category of assets presented in the Statement.

As previously stated, Licensees are to report loans and investments on the fair value basis. Accordingly, the Statement will present loans and investments at cost and, through adjustments for unrealized appreciation (valuation above cost) and unrealized depreciation (valuation below cost) arrive at fair value. The net Unrealized Gain (Loss) will be reported separate from undistributed Earnings Realized in the equity section of the Statement of Financial position.

B. *Computation of retained earnings for regulatory purposes.* The note following the Statement of Financial position is for SBA purposes and is designed to compute Retained Earnings available for dividend distribution or capitalization. Undistributed net earnings realized is the amount of realized earnings retained by the Licensee net of noncash gains on sale of Securities and without effect of valuation.

"Retained Earnings" will be determined by reducing Undistributed net earnings realized by the provisions for losses established by the licensee on loan and investments.

The auditor should, either in footnote form or a supporting schedule, identify provision for losses according to lines 1 through 9 of the Statement of Financial Position.

C. *Statement of undistributed realized earnings.* This statement reflects the increases and decreases in noncash gains and net Undistributed Realized Earnings. The net change when added to the balance of the beginning of the period results in the balance at the end of the period. Item VIII, C further explains the nature of Undistributed Realized Earnings.

D. *Statement of operations realized.* The Statement of Operations Realized is designed to present the results of realized investment activities of the Licensee by reporting separately investment income or loss including management consulting activities, and realized gains or losses from sale of securities. This statement does not measure the change in unrealized gain (loss) on securities held as does the Statement of Operations suggested by the AICPA Audit Guide. Rather, such unrealized gain (loss) will be measured in a separate statement.

While Investment Income and Realized Gain (Loss) on Sale of Securities are measured separately within the Statement of Operations Realized, they are reflected in the Statement of Undistributed Realized Earnings. It should be noted that Unrealized Gain (Loss) on Securities Held is reflected directly in the equity section of the Statement of Financial Position and is not reflected in the Statement of Undistributed Earnings Realized.

E. *Statement of unrealized gain (loss) on securities held.* The Statement of Unrealized Gain (Loss) on Securities Held summarizes the results of the valuation process of securities held as of the statement date as compared to the previous statement date and discloses the net change in the Unrealized Gain (Loss) on Securities Held.

Measurement of unrealized gain (loss) on such securities is a difficult process as has been previously explained. Changes in unrealized gain (loss) on securities held is measured in a statement separate from the Statement of Operations primarily because such amount results from a judgmental estimate made by the licensee's management rather than being an amount resulting from accomplished transactions which is objectively verifiable.

Securities held are classified by the primary groupings of loans and investments as set forth in Items 1 through 12 of the statement of financial position and are as follows:

a. Portfolio securities,

b. Assets acquired in liquidation of portfolio securities, and

c. Other securities.

In arriving at net unrealized gain (loss) on securities held, consideration must be given to unrealized appreciation (valuation above cost) and Unrealized Depreciation (valuation below cost) of such securities. To the extent that unrealized appreciation exceeds unrealized depreciation, a provision for income taxes will be made.

F. *Statement of change in financial position.* The Statement of Change in Financial Position is intended to summarize the inflow and outflow of cash for the Licensee's current year's operations. The net result will be an increase or decrease in cash and invested idle funds.

G. *Statement of realized gain (loss) on sale of securities.* The Statement of Realized Gain (Loss) on Sale of Securities is a summary by category of securities sold and the resulting gain or loss on such sales. Also, it summarizes the increases in noncash gains on securities sold during the period.

This statement will be included only if securities are sold during the current year. It is an additional statement and supports the Statement of Operations Realized.

As stated in Item III, C of this Guide, gain or loss on sale of securities is realized at the point of sale whether or not realized in cash. When part of the net sales price is not in cash, gain will continue to be realized at the time of sale unless the sale is not a final transaction or unless collection of the proceeds is not reasonably assured. However, such non-cash gains wil not be available for capitalization or dividend distribution until collected.

H. *Statement of commitments and guarantees.* When the Licensee has commitments outstanding to provide financing or has guaranteed financing provided by others, a Statement of Commitments and Guarantees will be included as a supporting statement. The Statement will show outstanding commitments and guarantees to Small Business Concerns at the statement date.

I. *Schedule of loans and investments.* This Schedule will show loans and investments outstanding at the Statement date by Small Business Concerns grouped into the following categories: (1) "Portfolio securities" segregated by publicly held SBCs and privately held-SBCs; and (2) "assets acquired in liquidation of portfolio securities," (3) "other securities."

The Schedule will contain the name of the Small Business Concern, brief description of the securities, cost basis, valuation by Board of Directors and potential equity interest in the concern. Where there is a material difference between cost and value as determined by the Board, the auditor should explain in a footnote the nature and extent of the difference. On publicly traded securities, the auditor should indicate the exchange on which the security is traded by symbol and legend.

J. *Notes to financial statements.* The auditor is expected to provide explanatory information in the form of Notes to the Financial Statements. Included will be information considered necessary to achieve full disclosure. Examples are loans to officers, directors or employees, and changes in paid-in capital and surplus. In addition to the notes he considers necessary, the auditor should provide the following information:

1. *Significant accounting policies.* Explanatory information should be set forth identifying the Accounting Policies that have a material bearing on the Licensee's operations; i.e., whether the Licensee is a 40-Act company, income tax allocation, assets acquired in liquidation and other accounting policies.

2. *Other current assets.* List the material items included in Other Current Assets.

3. *Other assets.* List the material items that comprise the Other Assets.

4. *Long-term debt.* The auditor of a debtor Licensee shall analyze in a footnote form the items that comprise Long-Term Debt and give the repayment terms of each. When the licensee has obtained the "third dollar" the auditor should disclose the percent of Loans and Investments qualifying as venture capital at the statement date (§ 107.202 of SBA rules and regulations).

5. *Current maturities of long-term debt.* The auditor should list the amounts due on Long-Term Debt within one year from the Statement date.

6. *Other current liabilities.* The auditor should describe in a footnote the material items that comprise Other Current Liabilities.

7. *Other liabilities.* The auditor should describe in a footnote the material items that comprise Other Liabilities.

8. *Contingent liabilities.* The auditor should identify Contingent Liabilities of the Licensee that may exist.

9. *Unrealized depreciations.* Unrealized depreciation is usually the same amount as specific provisions for losses or loans and investments. However, there may be instances where unrealized depreciation will not be a provision for losses. For example where a licensee has unrestricted marketable securities, value is based on market value rather than fair value as determined by the Board. There may be a temporary decline in the market value of such securities below the licensee's cost basis. Although such decline is reflected in unrealized depreciation, the licensee may not expect to sell the securities at the depreciated price; therefore, no loss would be expected.

When unrealized depreciation is not the same as provision for losses, the auditor will disclose either in note form or in a supplementary schedule the composition of unrealized depreciation according to lines 1 through 9 of the Statement of Financial Position.

10. *Regulatory capital.* As a general rule, capital for regulatory purposes is the total paid-in capital stock and surplus as shown on line 44 of the Statement of Financial Position. An exception to this general rule occurs when the total in line 44 included amounts resulting from non-monetary transactions other than stock dividends and the assets received in such transactions have not been converted to cash.

In those instances where regulatory capital is less than the amount on line 44, the items comprising the difference will be disclosed in a footnote.

K. *Financial statements illustrated.* The following illustrative Financial Statements have been prepared to show where and how various items might be presented. Accordingly, the information contained on the Statements is illustrative only and not intended to indicate relationships among accounts.

GENERAL CAPITAL COMPANY

1441 L Street, N. W.

Washington, D. C. 20416

FINANCIAL STATEMENTS

as of December 31, 19X3

POTTER & POTTER
Certified Public Accountants

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POTTER & POTTER
Certified Public Accountants

1260 Marine Plaza, S.E.
Washington, D.C. 20016

To the Stockholders and Board of Directors
General Capital Company

We have examined the statement of financial position of General Capital Company including the schedule of loans and investments as of December 31, 19X3 and the related statements of operations realized, unrealized gain (loss) on securities held, and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. The Company's investment securities were inspected by us or confirmed to us by the custodian.

As discussed more fully in Note 2 to the financial statements, securities amounting to $5,432,242 (54% of the total assets) have been valued at fair value as determined by the Board of Directors. We have reviewed the procedures applied by the directors in valuing such securities and have inspected underlying documentation; while in the circumstances the procedures appear to be reasonable and the documentation appropriate, determination of fair value involves subjective judgment which is not susceptible to substantiation by auditing procedures.

In our opinion, subject to the possible effect on the financial statements of the valuation of securities determined by the Board of Directors as described in the preceding paragraph, the above statements present fairly the financial position of General Capital Company at December 31, 19X3, and the results of operations, changes in financial position for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

POTTER & POTTER

Potter & Potter

April 23, 19X4

FINANCIAL REPORT
FOR FISCAL YEAR ENDED December 31, 19X3

(Amounts rounded to nearest dollar)

LICENSE NO.	NAME OF LICENSEE	
01/01-0001	General Capital Company	
EMPLOYER IDENTIFICATION NUMBER	STREET ADDRESS, CITY, AND STATE	ZIP CODE
92-0950250	1441 L Street, N.W. Washington, D.C.	20416 COUNTY

STATEMENT OF FINANCIAL POSITION
AS OF December 31, 19X3

ASSETS	COST	VALUATION: UNREALIZED DEPRECIATION	VALUATION: UNREALIZED APPRECIATION	VALUE
LOANS AND INVESTMENTS:				
Portfolio Securities				
1. Loans	$1,215,783.	$ 150,000.	$ 5,112.	$1,070,895.
2. Debt Securities	2,383,399.	118,998.	-	2,264,401.
3. Equity Interests	321,402.	29,082.	1,546,591	1,838,911.
4. TOTAL	$3,920,584.	$ 298,080.	$1,551,703.	$5,174,207.
Assets Acquired in Liquidation of Portfolio Securities				
5. Receivables From Debtors on Sale of Assets Acquired	$ 85,000.	$ 12,000.	$ -	$ 73,000.
6. Operating Concerns Acquired	275,035	190,000.	-	85,035.
7. Other Assets Acquired (Net of Mortgages Payable $ -)	-	-	-	-
8. TOTAL	360,035.	202,000.	-	158,035.
Other Securities				
9. Notes and Other Securities Received	100,000.	-	-	100,000.
10. Total Loans and Investments	$ 4,380,619.	$ 500,080.	$ 1,551,703.	$5,432,242.
11. Less Current Maturities				395,289.
12. Loans and Investments Net of Current Maturities				$5,036,953.
Investment in 301(d) Licensee* (Note 3)				
13. Name Central Mesbic, Inc. License No. 01/01-5000				425,000.
Current Assets				
14. Cash		$ 268,317.		
15. Invested Idle Funds		3,600,263	$ 3,868,580.	
16. Interest and Dividends Receivable	$ 88,807.			
17. Accounts Receivable	-	$ 88,807.		
18. Less: Allowance for Losses		10,881	77,926.	
19. Current Maturities of Portfolio Securities		$ 360,289.		
20. Current Maturities of Assets Acquired		15,000.		
21. Current Maturities on Other Securities		20,000.	395,289.	
22. Other Current Assets*			-	4,341,795.
Other Assets:				
23. Furniture & Equipment		$ 14,250.		
Less: Accumulated Depreciation		3,550.	$ 10,700.	
24. Funds in Escrow			1,613.	
25. Other (Note 4)			9,727	22,040.
26. TOTAL ASSETS				$9,825,788.

NOTE: Column headings apply to items 1 through 12 only.

(Cost - Unrealized Depreciation + Unrealized Appreciation = Value)

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS OF December 31, 1973

LIABILITIES & CAPITAL			
Long-Term Debt (Net of Current Maturities)* (Note 5)			
27. Notes and Debentures Payable To or Guaranteed by SBA		$4,940,320.	
28. Notes and Debentures Payable to Others		-	
29. TOTAL			$4,940,320.
Current Liabilities			
30. Accounts Payable		$ 10,000.	
31. Accrued Interest Payable		111,146.	
32. Accrued Taxes Payable		97,919.	
33. a. Current Maturities of Line 27	$ 13,520.		
b. Current Maturities of Line 28	-	18,520.	
34. Dividends Payable		165,603.	
35. Other Current Liabilities*		-	
36. TOTAL			398,188.
Other Liabilities			
37. Trust Receipts		$ 196,512.	
38. Deferred Credits		232,400.	
39. Other Liabilities*		-	428,912.
40. TOTAL LIABILITIES			$5,767,420.
CAPITAL			
41. Capital Stock	$ 636,936.		
42. Paid-in Surplus	1,936,909.	$2,573,845.	
43. Less: Treasury Stock, at cost		-	
44. Paid-in Capital Stock and Surplus (Reg. Capital $ Same)		$2,573,845.	
45. 3% Preferred Stock Issued to SBA (301 (d) Licensee's only)		-	
46. Unrealized Gain (Loss) on Securities Held		839,223.	
47. Non-Cash Gain on Sale of Securities	$ 73,000.		
48. Undistributed Net Realized Earnings	572,300.	645,300.	
49. TOTAL CAPITAL			4,058,368.
50. TOTAL LIABILITIES & CAPITAL			$9,825,788.

NOTE: Retained Earnings Available for Dividend Declaration or Capitalization In Accordance With SBA Regulations Computed As Follows:

Undistributed Net Realized Earnings (Line 48)	$ 572,300
Less: Provision for Losses on Loans and Investments * (Note 7)	471,170
Retained Earnings	$ 101,130

STATEMENT OF UNDISTRIBUTED REALIZED EARNINGS

DESCRIPTION	NON-CASH GAINS	UNDISTRIBUTED NET EARNINGS	TOTAL
1. Beginning Balance	$ 60,000.	$ 390,272.	$ 450,272.
2. Additions:			
a. Net Investment Income	$ -	$ 112,400.	$ 112,400.
b. Realized Gain (Loss) on Sale of Securities	73,000.	175,231.	248,231.
c.	-	-	-
d. Total Additions	73,000.	287,631.	360,631.
3. Adjust: Collections of non-cash Gain	(60,000)	60,000.	///////
4. Total (Lines 1,2,3)	$ 73,000.	$ 737,903.	$ 810,903.
5. Deductions:			
a. Dividends - Cash	$ ////////	$165,603.	$ 165,603.
b. Dividends - Stock	////////	-	-
c. Dividends - in Kind**	////////	-	-
d.	-	-	-
e. Total Deductions	-	165,603.	165,603.
6. Ending Balance	$ 73,000	$572,300.	$ 645,300.

*Provide in note form the composition of these items. Note to Item 13 should include percent owned, cost basis and changes resulting from equity method of accounting.

**Name of SBC _____ ID No. _____

Number of shares being distributed _____

NAME OF LICENSEE: General Capital Company

STATEMENT OF OPERATIONS REALIZED
FOR 12 MONTHS ENDED December 31, 19X3

INVESTMENT INCOME				
REVENUE				
From Portfolio				
1. Interest on Loans and Debt Securities			$ 440,112.	
2. Dividend Income			9,511.	$ 449,623.
From Services Provided				
3. Management Services			$ 15,000.	
4. Application and Other Fees			43,000.	58,000.
From Other Sources				
5. Interest on Invested Idle Funds			$ 188,373.	
6. Income from Assets Acquired in Liquidation of Loans and Investments (Net of $ _____ Expenses)			-	
7. Other Income			5,000.	193,373.
8. TOTAL REVENUE				$ 700,996.
EXPENSES				
Financial Expenses				
9. Interest on Long-term Debt	$ 332,800.			
10. Commitment Fees	-			
11. Other Financial Costs	1,227.			
12. Total Financial Expenses			$ 334,027.	
Remuneration				
13. Officer Salaries	$ 39,234.			
14. Employee Salaries	29,614.			
15. Employee Benefits	12,030.			
16. Investment Advisory and Management Services	-			
17. Director's and Stockholder's Meetings	8,295.			
18. Total Remuneration			89,173.	
Initiating & Servicing Costs				
19. Advertising & Promotion	$ 7,795.			
20. Appraisal & Investigation				
21. Communication	3,550.			
22. Legal Fees	6,600.			
23. Travel Expense	7,069.			
24. Total Initiating & Servicings Costs			25,014.	
Fixed Facilities				
25. Cost of Space Occupied	$ 5,643.			
26. Depreciation Expense	2,359.			
27. Amortization Expense	-			
28. Total Fixed Facilities			8,002.	
Other Costs				
29. Audit and Examination Fees	$ 8,922.			
30. Insurance Expense	3,189.			
31. Taxes Expense (Excluding Income Taxes)	3,595.			
32. Miscellaneous Expenses	4,263.			
33. Total Other Costs			19,969.	
34. TOTAL EXPENSES				476,185.
35. NET INVESTMENT INCOME BEFORE PROVISION FOR INCOME TAXES				$ 224,811.
36. a. Provision for Income Taxes			$ 112,411.	
b. Less Deferred Credit to Future Taxes			-	112,411.
37. NET INVESTMENT INCOME				$ 112,400.
REALIZED GAIN (LOSS) ON SALE OF SECURITIES				
38. Net Sale Price:				
a. Cash	$1,335,100.			
b. Non-monetary Receipts	100,000.	$1,435,100.		
39. Cost of Securities Sold		1,104,129.		
40. Net Prior to Income Tax Provision		$ 330,971.		
41. Less Provision for Income Taxes		82,740.		
42. NET REALIZED GAIN (LOSS) ON SALE OF SECURITIES				$ 248,231.

LICENSEE: General Capital Company

STATEMENT OF UNREALIZED GAIN (LOSS)
ON SECURITIES HELD

FOR 12 MONTHS ENDED December 31, 19X3

DESCRIPTION	Beginning Balance (1)	Ending Balance (2)	Net Change (3) (2) - (1)
Unrealized Appreciation:			
1. Portfolio Securities	$ 1,507,400	$ 1,551,703	$ 44,303
2. Assets Acquired in Liquidation of Portfolio Securities	24,047	-	(24,047)
3. Other Securities	-	-	-
4. Total	$ 1,531,447	$ 1,551,703	$ 20,256
Unrealized Depreciation:			
5. Portfolio Securities	$ 258,823	$ 298,080	$ 39,257
6. Assets Acquired in Liquidation of Portfolio Securities	12,000	202,000	190,000
7. Other Securities	-	-	-
8. Total	270,823	500,080	229,257
9. Net Unrealized Appreciation (Depreciation) on Securities Held	$ 1,260,624	$ 1,051,623	$ (209,001)
10. Less: Provision for Taxes	315,156	212,400	(102,756)
11. Net Unrealized Gain (Loss) on Securities Held	$ 945,468	$ 839,223	$ (106,245)

NAME OF LICENSEE General Capital Company

STATEMENT OF CHANGE IN FINANCIAL POSITION
FOR 12 MONTHS ENDED December 31, 19X3

SOURCE OF FUNDS			
From Operations Realized			
1. Net Investment Income (Loss)		$ 112,400.	
2. Add: Depreciation, Amortization, Provision for loss on Receivables		3,809.	
3. TOTAL			$ 116,209
4. Net Realized Gain (Loss) on Sale of Securities			248,231
5. TOTAL			$ 364,440
Decrease in Portfolio Securities			
6. Repayment of Loans & Debt Securities		$ 1,589,296.	
7. Sale of Equity Interests		34,682.	1,623,978
Decrease in Assets Acquired:			
8. Collection from Debtors on Sale of Assets Acquired		$ -	
9. Sale of Assets Acquired		69,916.	69,916
10. Decrease in Current Assets (Net of Cash and Invested Idle Funds)			10,699
11. Decrease in Other Assets			-
Increase in Long-term Debt:			
12. Due to or Guaranteed by SBA		$ -	
13. Due to Others		600,000	600,000
14. Increase in Current Liabilities			110,646
15. Increase in Other Liabilities			-
16. Sale of Licensee's Stock			-
17. TOTAL FUNDS PROVIDED			$2,779,679
APPLICATION OF FUNDS			
Increase in Portfolio Securities			
18. Loans and Debt Securities		$ 889,000	
19. Equity Interests		40,660	$ 929,660
20. Increase in Assets Acquired			-
21. Increase in Current Assets (Net of Cash and Invested Idle Funds)			-
22. Increase in Other Assets			51,655
Decrease in Long-term Debt:			
23. Due to or Guaranteed by SBA		$ 9,160	
24. Due to Others		600,000	609,160
25. Decrease in Current Liabilities (Net of Dividends)			-
26. Payment of Dividends			184,711
27. Decrease in Other Liabilities			-
28. TOTAL FUNDS APPLIED			$1,775,186
29. Increase (Decrease) in Cash and Invested Idle Funds (Line 17 minus Line 28)			$1,004,493

NAME OF LICENSEE General Capital Company

STATEMENT OF REALIZED GAIN (LOSS) ON SALE OF SECURITIES
FOR 12 MONTHS ENDED December 31, 19X3

DESCRIPTION	(1) NET SALE PRICE	(2) LESS CASH RECEIVED	(3) NON-MONETARY RECEIPTS*	(4) COST OF SECURITIES SOLD	(5) (1)-(4) NET GAIN (LOSS)	(6) (5)-(3) CASH GAINS	(7) (5)-(6) NON-CASH GAINS
Portfolio Securities							
1. Loans	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2. Debt Securities	-	-	-	-	-	-	-
3. Equity Interests	331,762	231,762	100,000	34,682	297,080	197,080	100,000
4. Total (Lines 1 thru 3)	$331,762	$231,762	$100,000	$ 34,682	$ 297,080	$ 197,080	$ 100,000
Assets Acquired							
5. Receivables from Debtors on Sale of Assets Acquired	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6. Operating Concerns	-	-	-	-	-	-	-
7. Other Assets Acquired	93,963	93,963	-	69,916	24,047	24,047	-
8. Total (Lines 5 thru 7)	93,963	93,963	-	69,916	24,047	24,047	-
9. Other Securities							
10. Invested Idle Funds	1,009,375	1,009,375	-	999,531	9,844	9,844	-
11. Total (Lines 4, 8, 9 and 10)	$1,435,100	$1,335,100	$100,000	$1,104,129	$330,971	$230,971	$100,000
Less: Estimated Income Taxes:							
12. Federal Income Taxes					$ 80,000	$ 54,000	$ 26,000
13. State and Local Income Taxes					2,740	1,740	1,000
14. Total (Lines 12 and 13)					82,740	55,740	27,000
15. Net Realized Gain (Loss) on Sale of Securities (Line 11 minus Line 14)					$248,231	$175,231	$ 73,000

*Describe in note form the Non-monetary Receipts of Each Sale.

NAME OF LICENSEE General Capital Company

STATEMENT OF COMMITMENTS & GUARANTEES
AS OF December 31, 19X3

DESCRIPTION	PORTFOLIO	ASSETS ACQUIRED	TOTAL
Commitments Of Funding			
Universal, Inc.	$120,000		$120,000
New England Tool Co.	200,000		200,000
Micro Space, Inc.	75,000		75,000
TOTAL	$395,000	$ -	$395,000
Guarantees to Others:			
Security National Bank (Patron Food Products, Inc.)	$100,000		$100,000
General Paper Co. (Creditor of Mid-South Printers Co.)		$150,000	150,000
TOTAL	$100,000	$150,000	$250,000
Total Commitments & Guarantees Outstanding	$495,000	$150,000	$645,000

NAME OF LICENSEE: General Capital Company

SCHEDULE OF INVESTMENTS IN
SMALL BUSINESS CONCERNS

As of December 31 19X3

SMALL BUSINESS CONCERN Publicly Held SBC's	Cost(a)	Valuation by Board of Directors (b)	Potential Equity Interest (c)
American Builders, Inc. Warrants for the purchase of 48,391 shares of common stock (which expire November 1, 1974)	$ -0-	$ 527,349	3.89%
Argo, Inc. 9-1/2% subordinated note with warrant, due 1976-1981.....	160,000	100,000	9.03%
10,050 shares common stock..	40,100	18,090	
Brentwood Village Warrants for the purchase of 4,999 shares of common stock (which expire February 14, 1977).....	-0-	-0-	10.00%
1 share common stock.....	5	5	
Broad Areo Shoe Co. (d) 9% subordinated note with warrant, due 1973-1979....	198,276	198,276	30.00%
Charleston Corporation 12% capital note, due 1974	100,000	100,000	6.25%
50 shares common stock....	50	50	
The Chemical House, Inc. 7,875 shares common stock..	23,100	63,000	19.48%
Confederate Telephone Corp. 1,200 shares common stock..	34,800	27,900	0.004%
Connoisseur Corporation 881.760 shares 3% non-cumulative preferred stock ($100 stated value)..	140,739	640,582	20.48%
Hobbs & Company (e) 12% secured note with warrant, due 1973-1974...	300,000	200,000	17.55%
Total.....	$ 997,070	$1,935,252	

* * * * * * * *

SMALL BUSINESS CONCERN Privately Held SBC's	Cost(a)	Valuation by Board of Directors (b)	Potential Equity Interest (c)
Indulge, Inc. (f)			
12% corporate note, due 1976	$ 100,000	-0-	13.72%
12% corporate note, due 1976	50,000	-0-	
56,247.8 shares common stock	172	-0-	
Lancer General, Inc.			
8-3/4% subordinated note with warrant, due 1977-1986	500,000	500,000	5.05%
Mirage, Inc.			
10% chattel mortgage note, due 1973	511	574	33.79%
10-1/2% capital note, due 1973-1977	347,299	347,299	
90% promissory note, due 1973	37,500	37,500	
1 share common stock	673	673	
Warrants for the purchase of 72.5 shares of common stock	-0-	199,522	
Patron Food Products, Inc.			
8-1/2% subordinated note, due 1973	27,169	28,618	85.03%
12% subordinated note, due 1973-1975	138,460	138,460	
9-1/4% capital note, due 1973-1976	296,400	300,000	
60,620 shares common stock	81,011	340,988	
Richfields & Son, Inc.			
Warrants for the purchase of 1,895 shares each of Class "A" common stock (which expire June 17, 1980	-0-	20,000	13.72%
Standard Corporation			
10% capital note with warrant, due 1973-1978	233,156	214,158	15.19%
10% promissory note, due 1973	25,000	25,000	
5,000 shares common stock	50	50	

SMALL BUSINESS CONCERN Privately Held SBC's (cont.)	Cost(a)	Valuation by Board of Directors (b)	Potential Equity Interest (c)
United Company			
9% subordinated note with warrant, due 1975-1982....	300,000	300,000	15.39%
10 shares common stock.....	163	163	
Universal, Inc.			
9-3/4% secured promissory note, due 1978.....	180,000	180,000	3.20%
Williams Packing Co. Inc.			
11% first mortgage note with warrant, due 1976-1985....	500,000	500,000	17.16%
Thrashing Electronics, Inc.			
10% capital note with warrant, due 1973.....	14,800	14,800	33.35%
15% promissory note, due 1973-1976.....	90,612	90,612	
1 share common stock.....	41	41	
Total.....	$ 2,923,514	$ 3,238,955	
Total - Portfolio Securities	$ 3,920,584	$ 5,174,207	

* * * * * * *

Assets Acquired in Liquidation of Portfolio Securities			
Mid South Printers Co. (g)			
11-1/2% promissory note, due 1975.....	$ 15,000	$ 15,000	100.0%
11-1/2% capital note with warrant, due 1973-1980....	260,000	70,000	
4 shares common stock.....	35	35	
Amounts Due From Debtors....	85,000	73,000	
Total Assets Acquired.....	$ 360,035	$ 158,035	
Other Securities			
Gemmi General, Inc.			
10,000 shares common stock..	$ 100,000	$ 100,000	10.0%
Total Loans and Investments	$ 4,380,619	$ 5,432,242.	

NOTES TO SCHEDULE

OF

LOANS & INVESTMENTS

AT DECEMBER 31, 19X3

(a) "Cost" is the amount of securities less unearned discounts, fees, etc.

(b) Valuation practices are summarized in note 2 of "notes to Financial Statements".

(c) The equity percentage shown represents the percent of shares owned or optioned to General Capital, Co. based on the number of shares outstanding at December 31, 19X3. The exercise of options issued to third parties by certain small business concerns may reduce this percentage of present or potential equity.

(d) The interest rate on the notes varies depending upon the local bank rate as determined at annual intervals; the rate at December 31, 19X3 was 9%.

(e) Hobbs & Company, which has filed a petition for reorganization under Chapter XI of the Bankruptcy Act, is in default on required interest and principal payments and in violation of net worth and working capital provisions of their loan agreement. At March 31, 19X3 the Company held $189,976 of cash as collateral for the account of Hobbs & Company.

(f) The notes are subordinated to other debt of Indulge, Inc. Principal repayments will begin when such other debt has been retired if before July 30, 1976, when the notes by their terms become due. or will be payable in full at any time after July 30, 1976 upon payment of said other debt. Also see Note 6 of "Notes to Financial Statements."

(g) Mid-South Printers Company, which is in liquidation, is in default on required interest and principal payments. Several other concerns in which the Company has investments have defaulted under certain loan covenants. These defaults are not considered significant by the Company.

GENERAL CAPITAL CO.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 19X3

Note 1 - Significant Accounting Policies

The following is a summary of significant accounting policies applied by the Company in the preparation of its financial statements. The policies are in conformity with generally accepted accounting principles for investment companies.

Change in accounting for investments - In accordance with recommendations included in the American Institute of Certified Public Accountants' recently published investment company industry audit guide, the Company has changed its method of accounting for investments. In prior years, investments were stated at cost less a reserve for unrealized decline in value of specific securities. In connection with the change, investments are stated at fair value as determined by the Directors (see Note 2) and the net unrealized gain or loss on securities, less a provision for deferred income taxes, is included in stockholders' equity. Prior year's financial statements have been restated to give retroactive effect to this change.

Investment valuation - Reference is made to the schedule Loans and Investments for a listing of the Company's investments and to Note 2 for information concerning the Board of Directors' valuation procedures.

Recognition of interest income - It is the Company's policy to record interest on loans and debt securities only to the extent that management and the Board of Directors anticipate such amounts may be collected. A reserve for losses is established to the extent there is doubt as to collectibility of amounts recorded in prior years.

Gains or losses on securities - Cost of securities sold is reported on the average cost basis. Amounts reported as realized gains and losses are measured by the difference between the proceeds of sale and the cost basis of the investment without regard to unrealized gain or loss reported in prior years.

No gain is recognized on the exchange of one investment security for another, or on the exchange of an equity or debt investment for other tangible or intangible assets, regardless of the federal income tax treatment of the exchange.

Recognition of dividend income - The Company records dividends and other distributions from investee companies on the date dividends are received. Distributions by companies without accumulated earnings are recorded as a return of capital regardless of the federal income tax treatment of the distribution.

Income taxes - In the calculation of a provision for federal income taxes, realized net operating losses and capital loss carryforwards are applied against unrealized gains. It should be recognized that under such procedures it may be necessary to provide additional income taxes in a future year if unrealized gains are not realized within the carryforward period of such losses, which under Internal Revenue Service regulations is limited to five years.

Note 2 - Board of Directors' Valuation of Loans and Investments

Loans and Investments were valued at $5,432,242 at December 31, 19X3, of which $1,935,252 has been based on market value and $3,496,990 has been based on a good faith determination by the Board of Directors. The values assigned to the investments are considered to be the amounts which could be realized from an orderly sale or other disposition of the investments over a reasonable period of time.

In making its valuations, the Board of Directors also took into account the cost of the investments to the Company, developments since the acquisition of the investments, the quoted prices of securities that are publicly traded and other factors pertinent to the valuation of investments generally. There is no public market for most of the investments; the markets for other investments are not wide. The Board is making its evaluation has in many instances, relied on financial data of investees and on estimates by the managements of the Company and of the investee companies as to the effect of future developments. In certain cases the Board relied on independent appraisals of certain investments. The Board has reviewed such documentation as is available.

The Company has acquired most of the securities by direct purchase from the issuer under investment representation, and the Board of Directors has valued the securities on the premise that they may not be sold without registration under the Securities Act of 1933. Except in the case of the purchase of shares pursuant to rights offerings, the Company has not purchased any securities at a price less than quoted market prices. The price of securities purchases by the Company from the issuer has been determined by direct negotiation between the Company and the issuer. In cases where registration may be required to dispose of an investment, the Company has a right to request at least one registration at the issuer's expense.

3. Investment in 301(d) Licensee.

The Company acquired a 20% interest in Central Mesbic, Inc. on January 1, 19X9 for $400,000. The investment is carried and reported on the equity method of accounting.

4. Other Assets.

Cash Surrender Value of Life Insurance	$ 7,200
Miscellaneous	2,527
Total	$ 9,727

5. Long-Term Debt

The long-term debt (exclusive of current maturities) owed to the Small Business Administration at March 31, 19X3 consists of the following:

5-1/2% Note Payable, payable in five annual instalments of $30,000 each beginning July 23, 1976.....	$ 150,000
5% Subordinated Debenture, payable in semi-annual instalments of $2,400 each concluding May 27, 1974, nine semi-annual instalments of $4,800 each beginning November 27, 1974, and $74,800 on May 27, 1979.....	120,400

5% Subordinated Debenture, payable in semi-annual instalments of $4,360 each concluding September 18, 1977, eight semi-annual instalments of $10,675 each beginning March 18, 1978, and $129,000 on September 18, 1982.....	244,920
5% Subordinated Debenture, payable in ten semi-annual instalments of $5,000 each beginning December 15, 1974, eight semi-annual instalments of $12,500 each beginning December 15, 1979, and $150,000 on June 15, 1984.....	300,000
5-3/4% Subordinated Debentures, payable August 29, 1978...	625,000
7% Subordinated Debenture, payable May 26, 1980.....	1,000,000
7-3/8% Subordinated Debentures, payable May 1, 1981.....	2,500,000
Total.....	$4,940,320

Although the Note Payable is unsecured, the Company man not pledge, assign or otherwise encumber any investments without prior written approval of the Small Business Administration.

6. Contingent Liability

The Company has been advised by its legal counsel that it may have a substantial contingent liability in connection with the registration with the Securities and Exchange Commission and offer of sale to the public in July 1972 by Indulge, Inc. of 100,000 shares of its common stock, which, it is understood, is presently under investigation by the Commission. The Company owns 56,247.8 of the approximately 410,000 outstanding shares of Indulge and $150,000 principal amount of 12% subordinated notes of Indulge. These securities were acquired in 1970 and 1971. An officer of the Company was a director of Indulge from 1971 through January 22, 1973.

7. Unrealized Depreciation

Of unrealized depreciation totaling $500,080 as of December 31, 19X3, $471,170 was provision for losses and $28,910 was temporary market decline as summarized below:

Description	Provision for Losses	Temporary Market Decline	Total
Portfolio Securities:			
Loans	150,000	———	150,000
Debt Securities	118,998	———	118,998
Equity Interests	172	28,910	29,082
Total	269,170	28,910	298,080
Assets Acquired:			
Receivables from Debtors	12,000	———	12,000
Operating concerns Acquired	190,000	———	190,000
Total	202,000	———	202,000
Unrealized Depreciation	471,170	28,910	500,080

8. Pension plan

Pension benefits are being provided through the purchase of individual insurance policies for the benefit of eligible employees. The costs of such policies for 19X3 were $7,376. There is no past service cost under the plan.

XII. INDEPENDENT ACCOUNTANT'S REPORT

A. *Report format.* The Independent Accountant's Report will be a "Short-Form Report" as set forth in Section 500 of the Statement on Auditing Standards issued by the American Institute of Certified Public Accountants. (See illustration) The financial statements that constitute Part I of the Financial Report, SBA Form 468, and will accompany the auditor's report as well as footnotes the auditor considers necessary.

The Accountant's Report shall be dated, signed, and will indicate city and state where issued. It should also identify without detailed enumeration the financial statements covered by the report.

B. *Accountant's opinion.* The accountant's examination should be directed toward the expression of an opinion as to whether the statement contained in the Financial Report, Part I, SBA Form 468 present fairly the financial position of the licensee as of the examination date and the results of its operations and changes in financial position for the period then ended in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Results of operations of a licensee as expressed in the auditor's opinion of necessity must include both realized activities reported in the Statement of Operations Realized and changes in unrealized activities as reported in the Statement of Unrealized Gain (Loss) on Securities Held. The purpose for the two statements as previously explained, is to measure separately realized activities and unrealized activities. Another purpose for the two statements is that the unrealized activities result from good faith valuations of loans and investments by the licensee's Board of Directors rather than completed transactions which is the basis for realized activities.

The accountant should, when possible, render an unqualified opinion, or an opinion whose qualification is related to the valuation of securities determined by the Board of Directors. Such a qualification is a usual opinion for an investment company.

When the accountant finds it necessary to otherwise qualify or to disclaim an opinion, then he should cite, when applicable, the specific loans, investments, or other items causing such qualification or disclaimer and the reason for such qualification or disclaimer.

The accountant is not required to extend his opinion to include the information contained in Part II of the Annual Report. He should, however, satisfy himself that the information reported thereon is consistent with the statements upon which he is expressing an opinion.

C. *Accountant's report illustrated.* The following sample independent accountant's Short-Form Report is intended to illustrate pertinent matters discussed in this Guide including matters that involve valuation of securities. It is not all inclusive, nor is it intended to cover all of the different situations that may arise in practice.

POTTER & POTTER,
CERTIFIED PUBLIC ACCOUNTANTS,
1260 MARINE PLAZA SE.,
Washington, D.C. 20016.

To the Stockholders and Board of Directors,
General Capital Company.

We have examined the statement of financial position of General Capital Company including the schedule of loans and investments as of December 31, 19X3 and the related statements of operations realized, unrealized gain (loss) on securities held, and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. The Company's investment securities were inspected by us or confirmed to us by the custodian.

As discussed more fully in Note 2 to the financial statements, securities amounting to $5,432,242 (54 percent of the total assets) have been valued at fair value as determined by the Board of Directors. We have reviewed the procedures applied by the directors in valuing such securities and have inspected underlying documentation; while in the circumstances the procedures appear to be reasonable and the documentation appropriate, determination of fair value involves subjective judgment which is not susceptible to substantiation by auditing procedures.

In our opinion, subject to the possible effect on the financial statements of the valuation of securities determined by the Board of Directors as described in the preceding paragraph, the above statements present fairly the financial position of General Capital Company at December 31, 19X3, and the results of operations, changes in financial position for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

POTTER & POTTER.

April 23, 1974.

XIII. THE ACCOUNTANT'S WORK PAPERS

As a normal practice, the SBA Examiners review the accountant's work papers in determining the scope of the SBA compliance examination. Therefore, the agreement between the Licensee and the accountant whereby the accountant is engaged to perform the audit (financial examination) should provide that the accountant's work papers will be made available for review upon request from the SBA.

XIV. GLOSSARY

Certain terms are defined below to assist the reader of the Guide. Other terms are defined in § 107.3 of the SBA rules and regulations or in the glossary to the AICPA Audit Guide.

Assets acquired in liquidation of portfolio securities. Are those securities or assets acquired by the licensee through foreclosure or other action taken to protect its investment.

Current maturities. Are the amounts reasonably expected to be collected (if assets) or paid (if liabilities) during the following year.

Cost of securities. The amount paid for securities including closing cost but net of unearned discounts, fees, etc.

Distribution. Any payment to stockholders of cash, property or shares, including any form of dividend.

Equity interest of SBC. Is a primary grouping of portfolio securities and includes (a) stock of SBC, (b) warrants, options or other stock rights and (c) equity interest of unincorporated concerns.

Equity method of accounting. A method of accounting for investments in common stock whereby the investment account is increased (or decreased) to reflect the investor's proportionate share of an investee's current earnings (or losses) regardless of whether earnings are paid out as dividends. Dividends, when paid, are a reduction of the carrying value of the investment.

Fair value. Value determined by the Licensee's Board of Directors for securities where no market quotations are readily available or where the securities contain restrictions.

Interest subsidy. A term used in section 317 of the Small Business Investment Act to describe the 3 percent deferment of interest on 301(d) licensee leverage funds.

Loans and investments. Are the securities held by the licensee for investment (excluding invested idle funds) and includes portfolio securities, assets acquired in liquidation of portfolio securities and other securities.

Net investment income. Income from interest and dividends on the licensee's loans and investments, and all other realized income except realized gain (loss) from security transactions, less operating expenses.

Net sales price. Sale price of securities less cost of selling such securities; i.e., commission, transfer tax, etc.

Non-monetary receipts. Proceeds from a securities transaction that are other than cash.

Non-cash gain on securities sold. The amount of gain realized on the sale of securities to the extent that the net sales price is other than cash.

Non-monetary transactions. Includes either reciprocal or nonreciprocal transactions not involving cash.

Other securities. Are securities held by the licensee that are not classified as portfolio securities or assets acquired.

Portfolio securities. Are securities resulting from financings made to small business concerns and include loans, debt securities and equity interests.

Securities. Include loans and Investments as well as invested idle funds.

Undistributed realized earnings. The cumulative balance of period net investment income including realized gain (loss) on securities sold net of dividend distribution.

Undistributed net realized earnings. The amount of undistributed realized earnings net of non-cash gains on securities sold.

Unrealized appreciation. The amount by which the value of loans and investments exceeds cost.

Unrealized depreciation. The amount by which the value of loans and investments are less than cost.

Unrealized gain (loss) on securities held. The gain (loss) on securities held that would have been realized after taxes had such securities been sold in the normal course of business.

E. *Summary of portfolio—schedule A.* This schedule is a summary of the licensee's portfolio by type of security and showing three separate measurements as follows: The activity within the portfolio during the period on a cost basis; the portfolio at Lower of cost or market at the statement date; and the portfolio at value at the statement date.

The amounts shown on this schedule are the totals of schedules 1 through 5.

1. *Activity within the portfolio* is to be shown net of unearned discounts and fees. Such activity is measured according to cash and non-cash additions, cash and non-cash deductions. The balance at the beginning of the period is adjusted by the net increase (decrease) during the period and thereby resulting in the balance at the end of the period.

2. *Portfolio at lower of cost or market* is determined by reducing the balances of types of securities at the end of the period carried on cost basis by the unrealized depreciation in the portfolio.

3. *Portfolio at value* is determined by increasing the balances of types of securities reflected on the lower of cost or market basis by the amount of unrealized appreciation in the portfolio.

The following schedule shows how the amounts are obtained.

NAME OF LICENSEE | Report for the months ended

LICENSE NO. | SCHEDULE A

SUMMARY OF PORTFOLIO (In Dollars Only—No Cents)
(Including Participations Purchased and After Deduction of Participations Sold)

DESCRIPTION	LOANS (1) AMOUNT	DEBT SECURITIES (2) AMOUNT	EQUITY INTERESTS (3) + (4) + (5) = (6)				(1)+(2)+(6)=(7) TOTAL
			STOCK OF SBC	EQUITY INTEREST OF UNINCORPORATED SBC	WARRANTS, OPTIONS & OTHER RIGHTS	TOTAL	
1. Balance Beginning of Period*							
2. Add: Cash Additions							
3. Non-Cash Additions							
4. TOTAL (Lines 2 & 3)							
5. Less: Cash Deductions							
6. Non-Cash Deductions							
7. TOTAL (Lines 5 & 6)							
8. Net Increase (decrease) (Line 4 Minus 7)	Totals of Schedule 1	Totals of Schedule 2	Totals of Schedule 3	Totals of Schedule 4	Totals of Schedule 5	Total Col. 3, 4, & 5	Total
9. Balance at End of Period (Lines 1 & 8) (Portfolio on Cost Basis)							
10. Less Unrealized Depreciation							
11. Lower of Cost or Market (Line 9 Minus 10)							
12. Add: Unrealized Appreciation							
13. Portfolio on Fair Value Basis (Line 11 Plus 12)							

*Balance at Beginning of Period is Net of Unearned Discounts, Fees, Etc.

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Page 1

1. *Schedule 1—Loans.* This schedule will include loans held, made, or otherwise obtained, as well as loans disposed of by the company during the period. Such data shall be reported as indicated by the column heading. The reporting company's portion of participation in loans shall be included.

List each loan by employer identification number; owner group code number designating the group classification of the principal ownership of the small business concern as follows: (0) Negroes; (1) Puerto Ricans; (2) American Indians; (3) Spanish Americans; (4) Asians (Japanese, Chinese, Koreans, Filipinos); (5) Eskimos and Aleuts; (6) Undetermined and (7) Others—including whites; financing number; interest rate; Standard Industrial Classification code; name of financed small business concern, together with street address, city, State, zip code, and county in which located; date and maturity date; principal balance at beginning of period; cash additions during period; noncash additions during period (include refinancing); cash deductions during period; noncash deductions during period; and principal balance at close of period. The total in columns 4 through 10 shall be entered in column 1 of the Summary of Portfolio, Schedule A.

As indicated by the footnote on the schedule 1, the beginning balances as well as additions during the period are to be net of unearned discounts, fees, etc.

An explanatory notation or footnote shall be entered in the schedule with respect to any loan (or any interest therein) obtained from another Licensee. A similar explanatory notation or footnote is to be entered for each non-cash addition or deduction during the period.

Treat multiple disbursements under the same financing agreement as a single financing. Show the total of all loan financings on the last sheet of this schedule.

In column (1) enter the employer identification number of each listed small business concern; if a concern does not have such number. Insert the appropriate owner group code number, in parentheses, following the employer identification number of each small business concern.

Enter for each listed small business concern the four-digit Standard Industrial Classification Code of the principal industry in which the concern is engaged; refer to the SIC Manual issued by the Office of Management and Budget.

If the Licensee has had more than one financing in the same category outstanding to the same small business concern, each such similar financing should be assigned a financing number (1–2–3, etc.) for identification purposes, and this number should be shown in the applicable column on this report and on future reports in relation to the same financing. A number once assigned to a specific financing of a small business concern should never be reassigned to another financing in the same category to the same concern.

In column (9) identify each item "pledged" or "earmarked" by letter (P) or letter (E), as appropriate. Also, identify by the letter (V) each item qualifying under the regulations as venture capital and by the letters (SP) each item qualifying under the regulations as special discretionary portfolio. Show the total of all venture capital amounts on the last sheet of this schedule immediately under the "Totals" line at the foot of column (9). Show the total of all special discretionary portfolio amounts on the last sheet of this schedule immediately under the "Total venture capital".

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NAME OF LICENSEE | Report for the months ended

LICENSE NO. 1-8 | LOANS (In Dollars Only—No Cents) (Including Participations Purchased and After Deduction of Participations Sold) | SCHEDULE 1

SMALL BUSINESS CONCERN (DEBTOR) 29-38				40-46	48-54			64-70		
EMPLOYER IDENTIFICATION NUMBER AND OWNER GROUP CODE NUMBER FINANCING NUMBER INTEREST RATE AND SIC CODE	NAME, STREET ADDRESS, CITY, STATE, AND ZIP CODE, NAME OF COUNTY IN WHICH LOCATED	DATE AND MATURITY DATE	PRINCIPAL BALANCE OF FINANCING AT BEGINNING OF PER'OD *	CASH ADDITIONS DURING PERIOD	NON-CASH ADDITIONS DURING PERIOD (INCLUDE REFINANCING)	CASH DEDUCTIONS DURING PERIOD	NON-CASH DEDUCTIONS DURING PERIOD	PRINCIPAL BALANCE OF FINANCING AT CLOSE OF PERIOD	MARKET, OR FAIR VALUE AS DETERMINED BY THE BOARD OF DIRECTORS	UNREALIZED APPRECIATION (DEPRECIATION)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(10)−(9)=(11)
EMP. I.D. NUMBER AND GROUP CODE:										
FINANCING NO.: INTEREST RATE:										
SIC 4 DIGIT CODE:										
SBA USE ONLY 9										
SBA USE ONLY 19										
EMP. I.D. NUMBER AND GROUP CODE:										
FINANCING NO.: INTEREST RATE:										
SIC 4 DIGIT CODE:										
SBA USE ONLY 9										
SBA USE ONLY 19										
EMP. I.D. NUMBER AND GROUP CODE:										
FINANCING NO.: INTEREST RATE:										
SIC 4 DIGIT CODE:										
SBA USE ONLY 9										
SBA USE ONLY 19										
EMP. I.D. NUMBER AND GROUP CODE:										
FINANCING NO.: INTEREST RATE:										
SIC 4 DIGIT CODE:										
SBA USE ONLY 9										
SBA USE ONLY 19										
TOTALS										
(To Page 1, Column 1)			Item 1	Item 2	Item 3	Item 5	Item 6	Item 9	Item 13	

Total venture capital

Total special discretionary portfolio

*Balance at Beginning of Period is Net of Unearned Discounts, Fees, Etc.

Page 2

2. *Schedule 2—Debit securities.* This schedule will include debt securities (§ 107.302(b)(3)) held or acquired during the period as well as those converted, or disposed of during the period. Such data shall be reported as indicated by the column headings. The reporting company's portion of participation in debt securities shall be included.

List each debt security by employer identification number; owner group code number designating the group classification of the principal ownership of the small business concern as follows: (0) Negroes; (1) Puerto Ricans; (2) American Indians; (3) Spanish Americans; (4) Asians (Japanese, Chinese, Koreans, Filipinos); (5) Eskimos and Aleuts; (6) Undetermined and (7) Others—including whites; financing number; interest rate; Standard Industrial Classification code; name of financed small business concern, together with street address, city, State, zip code, and county in which located; date and maturity date; principal balance at beginning of period; cash additions or deductions during period; noncash addition or deductions during period; and principal balance at close of period, and fair value of debt securities as determined by the licensee's board of directors in good faith. The total of columns 4 through 10 are to be entered in column 2 of the Summary of Portfolio, Schedule A.

As indicated by a note on this schedule, the beginning balances as well as non-cash additions during the period are to be net of unearned discounts, fees, etc.

Show in column (11) opposite each debt security financing the percentage of the financed small business concern's voting securities which has been and/or can be obtained by the Licensee through exercise of conversion privileges and/or stock purchase warrants or options received in connection with the specific financing. This percentage shall be computed without giving consideration to the possibility of simultaneous exercise of stock rights by other investment interests. Whenever a Licensee considers it important to disclose that its percentage of actual and potential ownership is affected by the probable action of others in exercising their stock rights, a footnote should be appended to the percentage figure arrived at by consideration of only the Licensee's action. In such footnote the percentage of actual and potential ownership giving consideration to the probable action of others should be set forth, together with an explanation including the names of the other investors who are likely to exercise their rights, the percentages of actual and potential ownership they hold, and the general terms of their stock rights.

An explanatory notation or footnote shall be entered in the schedule with respect to any debt security (or any interest therein) obtained from another Licensee. A similar explanatory notation or footnote is to be entered for each non-cash addition or deduction during the period.

Treat multiple disbursements under the same financing agreement as a single financing. Show the total of all debt security financings on the last sheet of this schedule.

In column (1) enter the employer identification number of each listed small business concern.

Insert the appropriate owner group code number, in parentheses, following employer identification number of each small business concern.

Enter for each listed small business concern the four-digit Standard Industrial Classification Code of the principal industry in which the concern is engaged; refer to the SIC Manual issued by the Office of Management and Budget.

If the Licensee has had more than one financing in the same category outstanding to the same small business concern, each such similar financing should be assigned a financing number (1–2–3, etc.) for identification purposes, and this number should be shown in the applicable column on this report and on future reports in relation to the same financing. A number once assigned to a specific financing of a small business concern should never be reassigned to another financing in the same category to the same concern.

In column (9) identify each item "pledged" or "earmarked" by letter (P) or letter (E), as appropriate. Also, identify by the letter (V) each item qualifying under the regulations as venture capital and by the letters (SP) each item qualifying under the regulations special discretionary portfolio. Show the total of all venture capital amounts immediately under the "Totals" line at the foot of column (9). Show the total of all special discretionary portfolio amounts on the last sheet of this schedule immediately under the "total venture capital."

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NAME OF LICENSEE | Report for the | months ended

LICENSE NO. 1-8

DEBT SECURITIES (In Dollars Only—No Cents)
(Including Participations Purchased and After Deduction of Participations Sold)

SCHEDULE 2

SMALL BUSINESS CONCERN (ISSUER) 29-38 EMPLOYER IDENTIFICATION NUMBER AND OWNER GROUP CODE NUMBER FINANCING NUMBER INTEREST RATE AND SIC CODE	NAME, STREET ADDRESS, CITY, STATE, AND ZIP CODE, NAME OF COUNTY IN WHICH LOCATED	DATE AND MATURITY DATE	PRINCIPAL BALANCE OF FINANCING AT BEGINNING OF PERIOD *	CASH ADDITIONS DURING PERIOD 40-46	NON-CASH ADDITIONS DURING PERIOD (INCLUDE REFINANCING) 48-54	CASH DEDUCTIONS DURING PERIOD	NON-CASH DEDUCTIONS DURING PERIOD	PRINCIPAL BALANCE OF FINANCING AT CLOSE OF PERIOD 64-70	MARKET, OR FAIR VALUE AS DETERMINED BY THE BOARD OF DIRECTORS	PERCENT % 71	UNREALIZED APPRECIATION (DEPRECIATION)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(10)−(9)=(12)
EMP. I.D. NUMBER AND GROUP CODE: FINANCING NO.: INTEREST RATE: SIC 4 DIGIT CODE SBA USE ONLY 9 19											
EMP. I.D. NUMBER AND GROUP CODE: FINANCING NO.: INTEREST RATE: SIC 4 DIGIT CODE: SBA USE ONLY 9 19											
EMP. I.D. NUMBER AND GROUP CODE: FINANCING NO.: INTEREST RATE: SIC 4 DIGIT CODE: SBA USE ONLY 9 19											
EMP. I.D. NUMBER AND GROUP CODE: FINANCING NO.: INTEREST RATE: SIC 4 DIGIT CODE: SBA USE ONLY 9 19											
TOTALS (To Page 1, Column 2)			Item 1	Item 2	Item 3	Item 5	Item 6	Item 9	Item 13		

Total venture capital

Total special discretionary portfolio

*Balance at Beginning of Period is Net of Unearned Discounts, Fees, Etc.

3. *Schedule 3—Capital stock of SBCs.* This schedule will include capital stock (§ 107.302(b)(1)) of small business concerns held or acquired during the period as well as those sold, or disposed of otherwise during the period. Such data shall be reported as indicated by the column headings. The reporting company's portion of participation in investments shall be included.

List each investment by employer identification number: Owner Group Code number; financing Number; Standard Industrial Classification Code; name of financed small business concern, together with street address, city, State, zip code, and county in which located; date acquired, type and class, number of shares, etc.; balance at cost at beginning of period; cash additions during period; noncash additions during period at cost; cash deductions during period; noncash deductions during period at cost; balance at cost at close of period; percent of outstanding shares of SBC's stock licensee owns; and fair value of such stock as determined by the licensee's board of directors in good faith. The total of columns 4 through 10 are to be entered in column 3 of the Summary of Portfolio, Schedule A.

An explanatory notation or footnote shall be entered in the schedule with respect to any investment (or any interest therein) obtained from another Licensee. A similar explanatory notation or footnote is to be entered for each non-cash additions or deductions during the period.

Treat multiple disbursements under the same financing agreement as a single financing. Show the total of capital stock on the last sheet of this schedule.

In column (1) enter the employer identification number of each listed small business concern. Enter the appropriate Owner Group Code number in parentheses.

Enter for each listed small business concern the four-digit Standard Industrial Classification Code of the principal industry in which the concern is engaged; refer to the SIC Manual issued by the Office of Management and Budget.

If the Licensee has had more than one financing in the same category outstanding to the same small business concern, each such similar financing should be assigned a financing number (1–2–3, etc.) for identification purposes, and this number should be shown in the applicable column on this report and on future reports in relation to the same financing. A number once assigned to a specific financing of a small business concern should never be reassigned to another financing in the same category to the same concern.

In column (9) identify each item "pledged" or "earmarked" by letter (P) or letter (E), as appropriate. Also, identify by the letter (V) each item qualifying under the regulations as venture capital and by the letters (SP) each item qualifying under the regulations as special discretionary portfolio. Show the total of all venture capital amounts immediately under the "Totals" line at the foot of column (9) on the last sheet of this schedule. Show the total of all special discretionary portfolio amounts on the last sheet of this schedule immediately under the "Total venture capital".

NAME OF LICENSEE

Report for the months ended

LICENSE NO. 1-8

CAPITAL STOCK OF SBCs (In Dollars Only—No Cents)
(Including Participations Purchased and After Deduction of Participations Sold)

SCHEDULE 3

SMALL BUSINESS CONCERN (ISSUER) 29-38				40-46	48-54			64-70		71	
EMPLOYER IDENTIFICATION NUMBER AND OWNER GROUP CODE NUMBER FINANCING NUMBER INTEREST RATE AND SIC CODE	NAME, STREET ADDRESS, CITY, STATE, AND ZIP CODE, NAME OF COUNTY IN WHICH LOCATED	DATE ACQUIRED, TYPE AND CLASS PAR OR STATED VALUE PER SHARE NUMBER OF SHARES	PRINCIPAL BALANCE OF FINANCING AT BEGINNING OF PERIOD	CASH ADDITIONS DURING PERIOD	NON-CASH ADDITIONS DURING PERIOD (INCLUDE REFINANCING)	CASH DEDUCTIONS DURING PERIOD	NON-CASH DEDUCTIONS DURING PERIOD	PRINCIPAL BALANCE OF FINANCING AT CLOSE OF PERIOD	MARKET, OR FAIR VALUE AS DETERMINED BY THE BOARD OF DIRECTORS	PERCENT %	UNREALIZED APPRECIATION (DEPRECIATION)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(10)−(9)=(12)
EMP. I.D. NUMBER AND GROUP CODE: FINANCING NO.: INTEREST RATE: SIC 4 DIGIT CODE: SBA USE ONLY 9 19											
EMP. I.D. NUMBER AND GROUP CODE: FINANCING NO.: INTEREST RATE: SIC 4 DIGIT CODE: SBA USE ONLY 9 19											
EMP. I.D. NUMBER AND GROUP CODE: FINANCING NO.: INTEREST RATE: SIC 4 DIGIT CODE: SBA USE ONLY 9 19											
EMP. I.D. NUMBER AND GROUP CODE: FINANCING NO.: INTEREST RATE: SIC 4 DIGIT CODE: SBA USE ONLY 9 19											
TOTALS (To Page 1, Column 3)			Item 1	Item 2	Item 3	Item 5	Item 6	Item 9	Item 13		

Total venture capital

Total special discretionary portfolio

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4. *Schedule 4—Equity interests of unincorporated concerns.* This schedule will include equity interests of unincorporated concerns (See § 107.302(b)(2)) held or acquired during the period as well as those sold or disposed of otherwise during the period. Such data is to be reported as indicated by the column headings. The reporting licensee's portion of participation in equity interests of unincorporated concerns will be included.

List each equity interest by employer identification number; owner group code number designating the group classification of the principal ownership of the small business concern as follows: (0) Negroes; (1) Puerto Ricans; (2) American Indians; (3) Spanish Americans; (4) Asians (Japanese, Chinese, Koreans, Filipinos); (5) Eskimos and Aleuts; (6) Undetermined and (7) Others—including whites; financing number; interest rate; Standard Industrial Classification code; name of financed small business concern, together with street address, city, State, zip code, and county in which located; date and maturity date; principal balance at beginning of period; cash additions and deductions during period; noncash additions and deductions during period; and principal balance at close of period, percentage of the Unincorporated concern the licensee owns; and fair value of the equity interest as determined by that licensee's board of directors in good faith. The total of columns 4 through 10 are to be entered in column 4 of the Summary of Portfolio, Schedule A.

Show in column 11 opposite each equity interest financing, the percentage of the Unincorporated concern and equity that is owned by the licensee.

An explanatory notation or footnote will be entered in the schedule with respect to any equity interest obtained from another Licensee. Also, a notation or footnote is to be entered for each non-cash addition or deduction during the period.

Treat multiple disbursements under the same financing agreement as a single financing. Show the total of equity interests on the last sheet of this schedule.

In column (1) enter the employer identification number of each listed small business concern.

Insert the appropriate owner group code number, in parentheses, following employer identification number of each small business concern.

Enter for each listed small business concern the four-digit Standard Industrial Classification Code of the principal industry in which the concern in engaged; refer to the SIC Manual issued by the Office of Management and Budget.

If the Licensee has had more than one financing in the same category outstanding to the same small business concern, each such similar financing should be assigned a financing number (1–2–3, etc.) for identification purposes, and this number should be shown in the applicable column on this report and on future reports in relation to the same financing. A number once assigned to a specific financing of a small business concern should never be reassigned to another financing in the same category to the same concern.

In column (9) identify each item "pledged" or "earmarked" by letter (P) or letter (E), as appropriate. Also, identify by the letter (V) each item qualifying under the regulations as venture capital and by the letters (SP) each item qualifying under the regulations special discretionary portfolio. Show the total of all venture capital amounts immediately under the "Totals" line at the foot of column (9). Show the total of all special discretionary portfolio amounts on the last sheet of this schedule immediately under the "Total venture capital."

NAME OF LICENSEE | Report for the months ended

LICENSE NO. 1-6

EQUITY INTEREST OF UNINCORPORATED SBCs (In Dollars Only—No Cents)

(Including Participations Purchased and After Deduction of Participations Sold)

SCHEDULE 4

SMALL BUSINESS CONCERN (ISSUER) 29-38				40-46	48-54			64-70		71	
EMPLOYER IDENTIFICATION NUMBER AND OWNER GROUP CODE NUMBER FINANCING NUMBER INTEREST RATE AND SIC CODE	NAME, STREET ADDRESS, CITY, STATE, AND ZIP CODE, NAME OF COUNTY IN WHICH LOCATED	DATE ACQUIRED TYPE OF OWNERSHIP	PRINCIPAL BALANCE OF FINANCING AT BEGINNING OF PERIOD	CASH ADDITIONS DURING PERIOD	NON-CASH ADDITIONS DURING PERIOD (INCLUDE REFINANCING)	CASH DEDUCTIONS DURING PERIOD	NON-CASH DEDUCTIONS DURING PERIOD	PRINCIPAL BALANCE OF FINANCING AT CLOSE OF PERIOD	MARKET, OR FAIR VALUE AS DETERMINED BY THE BOARD OF DIRECTORS	PERCENT %	UNREALIZED APPRECIATION (DEPRECIATION)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(10)−(9)=(12)
EMP. I.D. NUMBER AND GROUP CODE: / FINANCING NO.: INTEREST RATE: / SIC 4 DIGIT CODE: / SBA USE ONLY 9 19											
EMP. I.D. NUMBER AND GROUP CODE: / FINANCING NO.: INTEREST RATE: / SIC 4 DIGIT CODE: / SBA USE ONLY 9 19											
EMP. I.D. NUMBER AND GROUP CODE: / FINANCING NO.: INTEREST RATE: / SIC 4 DIGIT CODE: / SBA USE ONLY 9 19											
EMP. I.D. NUMBER AND GROUP CODE: / FINANCING NO.: INTEREST RATE: / SIC 4 DIGIT CODE: / SBA USE ONLY 9 19											
TOTALS (To Page 1, Column 4)			Item 1	Item 2	Item 3	Item 5	Item 6	Item 9	Item 13		

Total venture capital

Total special discretionary portfolio

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5. *Schedule 5—Warrants, options, and other stock rights acquired.* This schedule will include warrants, options, and other stock rights acquired from small business concerns held or acquired during the period as well as those exercised, sold or otherwise disposed of during the period. Such data is to be reported as indicated by the column headings. The reporting licensee's participation in investments shall be included.

The wararnts, options or other rights to be included in this schedule shall be those for which a cost has been determined separate from that of the financing instruments which they accompanied. If no separate cost is determined, no amount will be entered in column 9. However, the fair value as determined by the Licensee's board of directors will be entered in column 10.

List each investment by employer identification number; Owner Group Code number; financing number; Standard Industrial Classification code; name of financed small business concern, together with street address, city, State, zip code, and county in which located; date acquired type and class, etc.; balance at cost at beginning of period; cash additions during period; noncash additions during period at cost; cash deductions during period; noncash deductions during period at cost; and balance at cost at close of period; percent of potential ownership of the financed concerns stock the licensee would acquire if the warrants, options or other rights are exercised; and fair value of such warrants, options and other rights as determined by the licensee's board of directors in good faith. The total of columns 4 through 10 are to be entered in column 5 of the Summary of Portfolio, Schedule A.

Show in column (11) opposite each financing item the percentage of the financed small business concern's voting securities which can be obtained by the Licensee through exercise of conversion privileges and/or stock purchase warrants or options. This percentage shall be computed without giving consideration to the possibility of simultaneous exercise of stock rights by other investment interests. Whenever a Licensee considers it important to disclose that its percentage of actual and potential ownership is affected by the probable action of others in exercising their stock rights, a footnote should be appended to the percentage figure arrived at by consideration of only the Licensee's action. In such footnote the percentage of actual and potential ownership giving consideration to the probable action of others should be set forth together with an explanation including the names of the other investors who are likely to exercise their rights the percentages of actual and potential ownership they hold, and the general terms of their stock rights.

An explanatory notation or footnote shall be entered in the schedule with respect to any investment (or any interest therein) obtained from another Licensee. A similar explanatory notation or footnote is to be entered for each non-cash addition or deduction during the period.

Treat multiple disbursements under the same financing agreement as a single financing. Show the total of warrants, options, and other stock rights financing on the last sheet of this schedule.

In column (1) enter the employer identification number of each listed small business concern.

Insert the appropriate owner group code number, in parentheses, following the employee identification number of each small business concern. In column 1 enter for each listed small business concern the four-digit Standard Industrial Classification Code of the principal industry in which the concern is engaged; refer to the SIC Manual issued by the Office of Management and Budget.

If the Licensee has had more than one financing in the same category outstanding to the same small business concern, each such similar financing should be assigned a financing number (1–2–3, etc.) for identification purposes, and this number should be shown in the applicable column on this report and on future reports in relation to the same financing. A number once assigned to a specific financing of a small business concern should never be reassigned to another financing in the same category to the same concern.

(d) In column (9) identify each item "pledged" on "earmarked" by letter (P) or letter (E), as appropriate. Also, identify by the letter (V) each item qualifying under the regulations as venture capital and by the letters (SP) each item qualifying under the regulations special discretionary portfolio. Show the total of all venture capital amounts immediately under the "Totals" line at the foot of column (9). Show the total of all special discretionary portfolio amounts on the last sheet of this schedule immediately under the "Total venture capital."

NAME OF LICENSEE | Report for the months ended

LICENSE NO. 1-8

WARRANTS, OPTIONS, AND OTHER STOCK RIGHTS ACQUIRED FROM SBCs (In Dollars Only—No Cents)
(Including Participations Purchased and After Deduction of Participations Sold)

SCHEDULE 5

SMALL BUSINESS CONCERN (ISSUER) 29-38		DATE ACQUIRED, TYPE AND CLASS TRANSFERABLE EXERCISE DATES EXERCISE PRICES	PRINCIPAL BALANCE OF FINANCING AT BEGINNING OF PERIOD	CASH ADDITIONS DURING PERIOD 40-46	NON-CASH ADDITIONS DURING PERIOD (INCLUDE REFINANCING) 48-54	CASH DEDUCTIONS DURING PERIOD	NON-CASH DEDUCTIONS DURING PERIOD	PRINCIPAL BALANCE OF FINANCING AT CLOSE OF PERIOD 64-70	MARKET, OR FAIR VALUE AS DETERMINED BY THE BOARD OF DIRECTORS	PERCENT % 71	UNREALIZED APPRECIATION (DEPRECIATION)
EMPLOYER IDENTIFICATION NUMBER AND OWNER GROUP CODE NUMBER FINANCING NUMBER INTEREST RATE AND SIC CODE	NAME, STREET ADDRESS, CITY, STATE, AND ZIP CODE, NAME OF COUNTY IN WHICH LOCATED										
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(10)−(9)=(12)
EMP. I.D. NUMBER AND GROUP CODE:											
FINANCING NO.: INTEREST RATE:											
SIC 4 DIGIT CODE:											
SBA USE ONLY 9											
SBA USE ONLY 19											
EMP. I.D. NUMBER AND GROUP CODE:											
FINANCING NO.: INTEREST RATE:											
SIC 4 DIGIT CODE:											
SBA USE ONLY 9											
SBA USE ONLY 19											
EMP. I.D. NUMBER AND GROUP CODE:											
FINANCING NO.: INTEREST RATE:											
SIC 4 DIGIT CODE:											
SBA USE ONLY 9											
SBA USE ONLY 19											
EMP. I.D. NUMBER AND GROUP CODE:											
FINANCING NO.: INTEREST RATE:											
SIC 4 DIGIT CODE:											
SBA USE ONLY											
	TOTALS										
	(To Page 1, Column 5)		Item 1	Item 2	Item 3	Item 5	Item 6	Item 9	Item 13		

Total venture capital

Total special discretionary portfolio

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6. *Schedule 6—Details of certain portfolio securities listed in schedule 1 through 5.* Enter in this schedule portfolio securities shown in Schedules 1 through 5 when any one or more of the following conditions exist with respect to the financed concern:

1. New or additional financing furnished during the period, as shown in column (5) and (6) of Schedules 1 through 5.

2. The terms of existing financing amended and/or the related collateral changed during the fiscal year to date.

3. The rescheduling, refinancing, or refunding of principal and/or the interest of any portfolio security, or conversion of a delinquent item during the period. (Full details on such events are to be furnished in column (6) or on an attached sheet.)

4. Installment payments of principal and/or interest on loans or debt securities are past due more than one year.

5. An outstanding SBA loan, SBA guarantee or a bank loan or other private loan to the Licensee's portfolio concern.

List the items by employer identification number in column (1) and identify them by name of small business concern, type of financing, and financing number in columns (2), (3), and (4). In column (5) show the original principal amount or other cost. Details of the amortization plan and other significant provisions of the financing instruments, including a precise description of capital stock of SBCs, shall be set forth in column (6). The outstanding balance of any SBA direct loan, SBA participation loan, or SBA guaranteed loan to the Licensee's portfolio concern is to be shown in column (7). The Licensee is requested to obtain this information from the portfolio small business concern, if it is not already available in the Licensee's office. The value and description of collateral are to be set forth in column (8). Information as to the portion of such collateral assigned as security for the financing granted by the Licensee is required to be presented in column (8).

If any portfolio securities earmarked or pledged to SBA are in default as to payment of principal or interest, or with respect to any other covenants of the financing agreements, the repayment delinquencies will, of course, be included in Schedule 7. Any other defaults are to be described in column (6) of Schedule 6. Such earmarked or pledged portfolio securities shall be identified in the schedule by the letter (E) or (P), as securities are in default as to principal or interest payments, or as to any other covenants in the financing agreements, a statement to that effect be placed on Schedule 6.

NAME OF LICENSEE

Report for the _____ months ended _____, 19____

LICENSE NO.

DETAILS OF CERTAIN PORTFOLIO SECURITIES LISTED IN SCHEDULE 1 THROUGH SCHEDULE 5

SCHEDULE 6

EMPLOYER IDENTIFICATION NUMBER (a)	NAME OF SMALL BUSINESS CONCERN	L D S W	FINANCING NUMBER	ORIGINAL PRINCIPAL AMOUNT OR OTHER COST	AMORTIZATION PLAN, ETC. (FOR CAPITAL STOCK, GIVE TYPE AND CLASS, PAR OR STATED VALUE PER SHARE, AND NUMBER OF SHARES.)	SBA LOANS AND GUARANTEES BALANCE OUTSTANDING	VALUE AND DESCRIPTION OF COLLATERAL
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

(a) To determine which financings are required to be entered in this schedule, see the instructions for Schedule 6 in Instructions for Preparation of the Financial Report (SBA Form 468).

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7. *Schedule 7—Allowance for losses on portfolio securities (delinquent loans and debt securities).* List in this schedule loans and debt securities for which allowance for losses have been established or allocated on a specific item basis for IRS purposes, and/or which are delinquent to the extent of having installment payments past due more than 1 month. Identify each item in column (1) by the employer identification number and name of the financed small business concern; indicate by appropriate letter in column (2) the type of financing (loan, debt security, stock, warrants, and options); and record the financing number in column (3) if there has been more than one financing of the same type with respect to the same small business concern.

In columns (4) through (8), show the opening balance of the allowance for losses on each security, the additions and deductions pertaining to such allowance, and the closing balance, all relating to the period. If there exists an overall allowance for losses, established on a percentage or other basis and not allocated to individual securities, the beginning and ending balances thereof, together with changes during the period, shall be shown appropriately on the "Total" line at the bottom of the schedule.

Shown in column (9) the principal balance or other cost, as of the close of the period, of each security listed on the schedule. In columns (10) and (11) show all installments of principal and/or interest past due more than one month on loans and debt securities. Such portfolio items shall be identified and classified in columns (1), (2), and (3), and any allowances for losses related thereto shall be included appropriately in the columns provided. Any loans or debt securities earmarked or pledged to SBA shall be identified in the schedule by the letter (E) or (P), as appropriate. Show the totals of columns (10) and (11).

NAME OF LICENSEE

Report for the _____ months ended _____, 19__

LICENSE NO.

ALLOWANCE FOR LOSSES ON PORTFOLIO SECURITIES DELINQUENT LOANS AND DEBT SECURITIES

SCHEDULE 7

EMPLOYER IDENTIFICATION NUMBER (a) AND NAME OF SMALL BUSINESS CONCERN	L D S W	FINANCING NUMBER	BALANCE OF ALLOWANCE AT BEGINNING OF PERIOD	ADDITIONS TO ALLOWANCE		DEDUCTIONS FROM ALLOWANCE (DESCRIBE) (b)	BALANCE OF ALLOWANCE AT CLOSE OF PERIOD	PRINCIPAL BALANCE OR OTHER COST OF SECURITY AT CLOSE OF PERIOD	DELINQUENT LOANS AND DEBT SECURITIES		SBA USE ONLY
				CHARGED TO EXPENSE	CHARGED TO OTHER (DESCRIBE) (b)				INSTALLMENTS PAST DUE MORE THAN ONE MONTH		
									PRINCIPAL 1-8	INTEREST 9-16	75-80 LINE NO.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
TOTALS								XXX			XXX

(a) List only portfolio securities for which an allowance for losses has been established or allocated on a specific item basis and/or which (if loans or debt securities) are delinquent to the extent of having installment payments past due more than one month.

(b) Use footnote or attached sheet for required description.

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F. *Analysis of assets acquired in liquidation of portfolio securities—Schedule B.* This schedule is a summary of the Licensee's assets acquired in liquidation of portfolio securities by type of assets acquired and showing the same measurements as does the Summary of Portfolio as follows: The activity within the assets acquired during the period on a cost basis; assets acquired at lower of cost or market at the statement date; and assets acquired at value at the statement date.

The amounts shown on this schedule of "funded assets acquired" are the totals of schedules 8 through 10. The commitments and Guarantees can be obtained from memorandum accounts CL–15 or CL–16.

It should be noted that "other assets acquired" as shown in column 3 are to be net of mortgages payable on the related assets.

The following schedule shows how the amounts contained in the analysis are obtained.

→ NAME OF LICENSEE: _____

SCHEDULE B

ANALYSIS OF ASSETS ACQUIRED IN LIQUIDATION OF PORTFOLIO SECURITIES
AS OF _____

DESCRIPTION	FUNDED ASSETS ACQUIRED (1) + (2) + (3) = (4)				(5)	(4) + (5) = (6)
	(1) AMTS. DUE FROM DEBTORS	(2) OPERATING SBICS	(3) OTHER * ASSETS ACQUIRED	TOTAL	COMMITMENTS & GUARANTEES	TOTAL
1. Balance, Beg. of period **						
2. Add: Cash Additions						
3. Non-cash Additions						
4. TOTAL (Lines 2 and 3)	Totals of Schedule 8	Totals of Schedule 9	Totals of Schedule 10	Total col. 1 thru 3		
5. Less: Cash Deductions						
6. Non-cash Deductions						
7. TOTAL (Lines 5and 6)					Memo accounts CL-15 and 16	
8. Net Increase (Decrease) (Line 4 minus 7)						
9. Balance, End of Period (Line 1 plus 8) (Cost Basis)						Total
Less Unrealized Depreciation						
1. Lower of cost or market (Line 9 minus 10)						
2. Add: Unrealized Appreciation						
3. Fair Value (Line 11 plus 12)						

*This amount will include mortgages payable assumed by Licensee.

**Balance at beginning of period is net of unearned discounts, fees, etc.

1. *Schedule 8—Amounts due from debtors on sale of assets acquired in liquidation of portfolio securities.* Show in this schedule, by debtors, accounts receivable, notes receivable, sales contracts, purchase money mortgages, etc., carried during the period in account 200 "Receivables due from debtors on sale of assets acquired in liquidation of portfolio securities." The interest rate and other terms shall be given. The balances at the beginning and close of the period shall be shown, together with additions and deductions during such reporting period. Allowances for uncollectibles based upon an evaluation of the reporting company's portion of individual amounts due shall be recorded in column (9) opposite the name of the debtor. The totals of columns (5) through (9) will be entered in column 1 of Schedule B, Analysis of Assets Acquired in Liquidation of Portfolio Securities. Under column (2) identify the asset or assets originally acquired in liquidation to which the amount due relates.

NAME OF LICENSEE

Report for the _____ months ended _____, 19__

AMOUNTS DUE FROM DEBTORS ON SALE OF ASSETS ACQUIRED IN LIQUIDATION OF PORTFOLIO SECURITIES
ALLOWANCE FOR UNCOLLECTIBLES

SCHEDULE 8

NAME AND ADDRESS OF DEBTOR	DESCRIPTION OF RECEIVABLES	TERMS		AMOUNTS DUE FROM DEBTORS				ALLOWANCE FOR UNCOLLECTIBLES AT CLOSE OF PERIOD (*)
		INTEREST RATE	MATURITY, AMORTIZATION PLAN, ETC.	BALANCE AT BEGINNING OF PERIOD	ADDITIONS DURING PERIOD	DEDUCTIONS DURING PERIOD	BALANCE AT CLOSE OF PERIOD	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
							A/C 200	A/C 203
TOTALS		XXX	XXX					
(To Page 9, Column 1)		XXX	XXX	Item 1	Item 4	Item 7	Item 9	Item 10

(*) On this schedule or on an attached sheet, give complete details of any charges to this account during the period representing the write-offs of amounts due from debtors on sale of assets acquired in liquidation of Portfolio Securities.

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2. *Schedule 9—Operating SBCs acquired.* This schedule summarizes certain information relating to portfolio concerns the licensee has acquired control over as a result of taking action to protect its investment. Such concerns are those that are operating; accordingly, the licensee will dispose of all or at least controlling interest of such concern.

Each concern acquired by the licensee will be listed on the schedule with the appropriate information requested. The source of data on this schedule is Schedule 9(a).

Identify in column 1 the name and address of the concern acquired. In column 2, show a breakdown in percentage the ownership of the concern according to ownership by Licensee, other SBIC, Licensee's associates, and other.

Columns 3 through 6 contain information on the licensee's investment in the concern on a cost basis. Column 3 is the balance at the beginning of the period, column 4 and 5 represent additions and deductions, respectively, during the period and column 6 represents the balance at the end of the period.

Columns 7 through 9 represent valuation of such investments at the statement date. Column 7 represents the value of the investments in operating concerns acquired as determined by licensee. Column 8 represents valuation below cost (unrealized depreciation) and Column 9 represents valuation above cost (unrealized appreciation).

Schedule 9 is shown below and the source of information contained thereon is indicated.

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NAME OF LICENSEE

Report for the _____ months ended _____, 19____

LICENSE NO.

SCHEDULE OF ACQUIRED OPERATING SMALL BUSINESS CONCERNS

SCHEDULE 9

NAME LOCATION BY CITY, COUNTY, AND STATE OF SMALL BUSINESS CONCERN (FORMER DEBTOR)	PERCENTAGE OWNERSHIP (2)				COST BASIS					(6) − (7) = (8)	(7) − (6) = (9)
	LICENSEE	OTHER SBIC	LICENSEE ASSOC.	OTHER	BALANCE AT BEGINNING OF PERIOD	ADDITIONS DURING PERIOD	DEDUCTIONS DURING PERIOD	BALANCE AT CLOSE OF PERIOD	MARKET, OR FAIR VALUE AS DETERMINED BY THE BOARD OF DIRECTORS	UNREALIZED DEPRECIATION (a)	UNREALIZED APPRECIATION
(1)	(a)	(b)	(c)	(d)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
					Schedule 9(a), line 1, column 4	Schedule 9(a), line 4, column 4	Schedule 9(a), line 7, column 4	Schedule 9(a), line 9, column 4	Schedule 9(a), line 13, column 4	Schedule 9(a), line 10, column 4	Schedule 9(a), line 12, column 4
TOTALS (To Page 9, Column 2)					Item 1	Item 4	Item 7	Item 9	Item 13	Item 10	Item 12
							Total venture capital				

Pa[illegible]

3. *Schedule 9a—Detailed information on operating concern acquired.* For each concern listed on Schedule 9, a completed Schedule 9a will be included in the Management Report. The purpose of this schedule is to summarize the licensee's total investment in the concern acquired and the activity with respect to that investment. Attached to the schedule should be a copy of the latest annual financial statements of the concern acquired. Also attached should be a narrative summary as to the circumstances surrounding the acquisition of the concern acquired during the year of acquisition and a status summary as to action during the year to dispose of the licensee's controlling interest in the concern.

The heading of the schedule will contain the concern's name and address, employer's I.D. code, and SIC Code. The body of the schedule will disclose the licensee's investment according to loans, debt securities and/or equity investments that were previously reported as portfolio securities and will measure the activity with respect to such investment.

Further, contingent liabilities of the licensee to the concern acquired in the form of guarantees and commitments will also be disclosed in this schedule.

During the period the licensee's financings are reclassified from portfolio securities to assets acquired, there should be full disclosure as to the source of amounts that have been reclassified. Such amounts would be noncash additions during the period in this schedule and non-cash deductions on schedules where amounts were transferred from.

The source of information contained in this schedule can be found by analyzing activity in the accounts indicated on the following page.

SCHEDULE 9a

NAME OF OPERATING SBC: _____

ADDRESS: _____
Street Address City State Zip Code

EMPLOYER'S IDENTIFICATION CODE: _____ SIC CODE (4 Digit): _____

DESCRIPTION	FUNDED ASSETS ACQUIRED (1) LOANS	(2) DEBT SECURITIES	(3) EQUITY	(4) TOTAL	COL. 4 TO PAGE 11	(5) COMMITMENTS & GUARANTEES	(6) TOTAL
1. Balance, Beginning of Period*					Col. 3		
2. Add: Cash Additions							
3. Non-cash Additions							
4. Total (Lines 2 and 3)					Col. 4		
5. Less: Cash Deductions	A/C 204.1	A/C 204.2	A/C 204.3	A/C 204		CL-15, 16	
6. Non-cash Deductions							
7. Total (Lines 5 and 6)					Col. 5		
8. Net Increase (Decrease) (Line 4 minus 7)							
9. Balance End of Period (Line 1 plus 8) (at cost)					Col. 6		
10. Less: Allowance for Losses	A/C 206.1	A/C 206.2	A/C 206.3	A/C 206	Col. 8		
11. Lower of Cost or Market (Line 9 minus 10)							
12. Add: Unrealized Appreciation	A/C 205.1	A/C 205.2	A/C 205.3	A/C 205	Col. 9		
13. Fair Value (Line 11 plus 12)					Col. 7		

*Balance at Beginning of Period is Net of Unearned Discounts, Fees, Etc.

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4. *Schedule 10—Other assets acquired in liquidation of portfolio securities.* List and describe in this schedule, by former debtors (small business concerns), other assets carried during the period, in the account No. 207 of the System of Account Classification for assets acquired in liquidation of portfolio securities. This schedule will represent only the reporting licensee's portion of such assets.

In column 2, fully describe the assets acquired. The balance at the beginning of the reporting period, additions and deductions during the period, and balance at the close of the period shall be shown in columns (3), (4), (5), and (6).

The fair value, as determined by the licensee's Board of Directors for such assets held at the end of the period will be recorded in column (7). Unrealized depreciation will be measured in column 8 and unrealized appreciation will be measured in column 9. The totals of columns (3) through (9) will be entered in column 3, Schedule B "Analysis of Assets Acquired in Liquidation of Portfolio Securities."

Schedule 10 is shown on the following page.

NAME OF LICENSEE | Report for the _____ months ended _____, 19__

LICENSE NO.

OTHER ASSETS ACQUIRED IN LIQUIDATION OF PORTFOLIO SECURITIES ALLOWANCE FOR LOSSES

SCHEDULE 10

NAME LOCATION BY CITY, COUNTY, AND STATE OF SMALL BUSINESS CONCERN (FORMER DEBTOR)	DESCRIPTION OF PROPERTY	OTHER ASSETS ACQUIRED				MARKET, OR FAIR VALUE AS DETERMINED BY THE BOARD OF DIRECTORS	(6)−(7)=(8)	(7)−(6)=(9)
		BALANCE AT BEGINNING OF PERIOD	ADDITIONS DURING PERIOD	DEDUCTIONS DURING PERIOD	BALANCE AT CLOSE OF PERIOD		UNREALIZED DEPRECIATION (a)	UNREALIZED APPRECIATION
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
				A/C 207			A/C 206	A/C 205
	TOTALS							
	(To Page 9, Column 3)	Item 1	Item 4	Item 7	Item 9	Item 13	Item 10	Item 11
					Total venture capital			

(a) On this schedule or on attached sheet give complete details of any charges to this account during the period representing the write-off of assets acquired in liquidation of Portfolio Securities.

G. *Schedule II—Participations and joint financing.* Show in this schedule the financings in which the reporting licensee participated as well as financings made jointly by the reporting licensee and one or more other lenders or investors during the period or which were outstanding at any time during such period. Identify each item in column (1) by the employer identification number and name of the financed small business concern; indicate by appropriate letter in column (2) the type of financing (loan, debt security, stock, warrants, and options); and enter the financing number in column (3) if there has been more than one financing of the same type by the reporting company to the same small business concern.

In column (4) show the original total amount contributed by all parties in the participation or joint financing. The names of such participating or joint financing entities (including the name of the reporting licensee) shall be shown in column (5) with appropriate indication as to which is the initiating (sponsoring) entity.

Show in column (6), (7), or (8), as appropriate, the reporting licensee's outstanding principal balance, or other cost, of participation purchased, participation sold, or joint financing, as of the close of the period covered in the report. Enter in column (9) a description of collateral pertaining to each financing, together with information as to the percentage applicable to each party and as to any preferences agreed upon.

NAME OF LICENSEE

As of _____, 19____

LICENSE NO.

PARTICIPATIONS (a) AND JOINT FINANCINGS

SCHEDULE 11

EMPLOYER IDENTIFICATION NO. AND NAME OF SMALL BUSINESS CONCERN	L D S W	FINANCING NO.	ORIGINAL TOTAL AMOUNT OF FINANCING (b)	NAMES OF PARTICIPATING ENTITIES OR THOSE TAKING PART IN JOINT FINANCING (IDENTIFY INITIATING ENTITY)	REPORTING COMPANY'S OUTSTANDING PRINCIPAL BALANCE OF			DESCRIPTION OF COLLATERAL SHOWING PERCENT APPLICABLE TO EACH PARTY AND ANY PREFERENCE TO COLLATERAL
					PARTICIPATION PURCHASED (b)	PARTICIPATION SOLD (b)	JOINT FINANCING (b)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

(a) A participation is defined as an undivided interest shared with one or more other lenders or investors in a note, debenture, certificate of stock, or other instrument evidencing a loan to, or equity financing of, a small business concern.

(b) Show participations in, or joint financings pertaining to, capital stock or warrants or options at cost.

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H. *Schedule 12—Cash and invested idle funds.* Cash will be reported on Schedule 12 (a) and Invested Idle Funds will be reported on Schedule 12(b).

Schedule 12 (a)—Cash. Show cash on hand and in general funds demand deposits; funds in imprest bank accounts. Demand deposits are balances subject to withdrawal without notice and shall be in commercial banks which are members of the Federal Deposit Insurance Corporation. Cash items in process of collection represent those cash items which have been placed with banks for collection. Petty cash shall represent the full amount of the petty cash imprest fund. The amount shown on line 7 should be the same amount reported on line 14 of the Statement of financial Position.

Schedule 12(b)—Invested idle funds. Show in Schedule 12b(1) securities owned which have been issued or guaranteed by the U.S. Government, showing the name of the issuer and the title of each issue. Other required data, such as interest rate, call date, maturity date, and principal amount at part of bonds and notes, may be obtained by inspection of the securities or from records of securities pledged. The cost of the securities shall be shown in column (6) and the current market value thereof in column (7).

Show in Schedule 12b(2) funds invested in insured savings accounts and funds on time deposit evidenced by time certificates of deposit. Savings accounts shall be with institutions the accounts of which are insured by the Federal Savings and Loan Insurance Corporation. Time deposits shall include all time certificates of deposit held by the company in commercial banks which are members of the Federal Deposit Insurance Corporation.

The amount shown in Schedule 12(b)(2) line 19 represents invested idle funds and should be the same amount as shown on line 15 of the Statement of Financial Position.

Schedule 12 is shown below and the accounts containing the amount to be reported on this schedule are indicated.

, 19

CASH, U.S. GOVERNMENT OBLIGATIONS, INSURED SAVINGS, AND TIME CERTIFICATES OF DEPOSIT

SCHEDULE 12

CASH

SCHEDULE 12(a)

NAME OF DEPOSITORY (1)	LOCATION OF DEPOSITORY (2)	AMOUNT (3)
1. General funds--demand balances with: (a)		
(b)		A/C 100-108
(c)		
(d)		
2. Deposits in imprest accounts with: (a)		
(b)		A/C 110-112
(c)		
3. Cash items in process of collection	XXX	A/C 118
4. Petty cash	XXX	A/C 120
5.		
6.		
7. Total Cash	XXX	

U.S. GOVERNMENT OBLIGATIONS, INSURED SAVINGS, AND TIME CERTIFICATES OF DEPOSIT

SCHEDULE 12(b)

U.S. GOVERNMENT OBLIGATIONS, DIRECT AND FULLY GUARANTEED

SCHEDULE 12(b)(1)

NAME OF ISSUER AND TITLE OF ISSUE (1)	INTEREST RATE (2)	CALL DATE (3)	MATURITY DATE (4)	PRINCIPAL at PAR (5)	PRINCIPAL at COST (6)	MARKET VALUE (7)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10. Totals						A/C 130

INSURED SAVINGS, AND TIME CERTIFICATES OF DEPOSIT

SCHEDULE 12(b)(2)

NAME AND LOCATION OF DEPOSITORY		INSURED SAVINGS BALANCE (3)	TIME CERTIFICATES OF DEPOSIT BALANCE (4)
INSURED SAVINGS (1)	TIME CERTIFICATES OF DEPOSIT (2)		
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.		A/C 131 - 134	A/C 135 - 137
11.			
12.			
13.			
14.			
15.			
16.			
17. Totals			
18. Total Insured Savings and Time Certificates of Deposit (column (3) plus column (4), item 17)			XXX
19. Total U.S. Government Obligations, Insured Savings, and Time Certificates of Deposit (item 18 plus total column (6), Schedule 12(b)(1))			XXX

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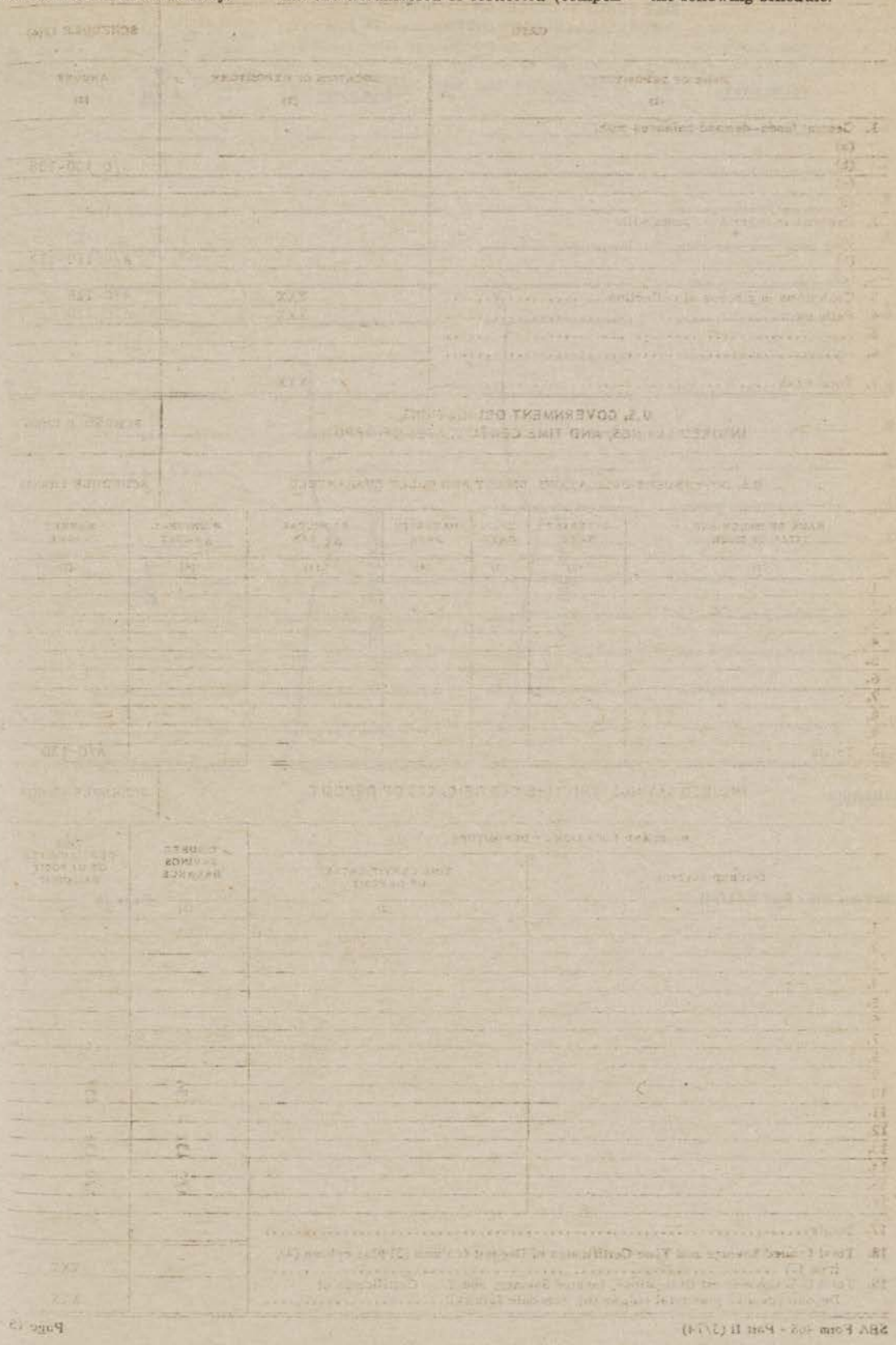
I. *Schedule 13—Average daily cash and invested idle funds balances.* This schedule is designed to measure cash or cash items available for investment. It is also a basis for measuring the licensee's level of activity.

The schedule is to include the 18 months period prior to the statement date. It is to include both cash and invested idle funds. However, should there be cash or idle funds that are encumbered or restricted (compensating balances, pledged funds, etc.); such amounts will be eliminated.

The amounts contained in the schedule can be obtained from the accounts shown on the following schedule.



Name of Licensee _____

SCHEDULE OF AVERAGE DAILY CASH AND INVESTED IDLE FUNDS BALANCES ON A MONTHLY BASIS FOR ____ MONTHS ENDED ____, 1973

	MONTH & YEAR	(1) CASH	+	(2) IDLE FUNDS	=	(3) TOTAL
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						
11.						
12.						
13.						
14.						
15.						
16.						
17.						
18.						

A/C 100 through 120

A/C 130 through 137

TOTAL

REMARKS:

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J. *Schedule 14—Obligations payable.* Show in this schedule, by creditors, all obligations payable representing (1) debentures payable to SBA, (2) SBA direct loans, (3) guaranteed loans purchased by SBA, (4) loans guaranteed by SBA, (5) loans not guaranteed by SBA, (6) mortgages payable for funds borrowed, and (7) mortgages payable on assets acquired in liquidation of portfolio securities. Such liabilities shall be grouped by the foregoing categories, and described in column (2), but subtotals are not required. Guaranteed loans purchased by SBA represent loans, originally financed by banks, which have been transferred to SBA through reassignment, transfer and delivery of the notes to SBA.

The interest rate and other terms of each obligation shall be recorded in columns (3) and (4); the unpaid balance at the beginning of the fiscal year and additions and deductions during the period shall be shown in columns (5), (6), and (7); and the balance payable at the close of the period, segregated between (a) amounts owed to or guaranteed by SBA for funds borrowed and (b) amounts owed to others for funds borrowed and/or amounts representing mortgages payable on assets acquired in liquidation of portfolio securities, shall be reflected in columns (8) and (9).

NAME OF LICENSEE | Report for the _____ months ended _____, 19__

LICENSE NO.

LONG TERM DEBT

SCHEDULE 14

NAME AND LOCATION OF CREDITOR (a)	DESCRIPTION OF OBLIGATIONS	INTEREST RATE	DATE MATURITY DATE, AMORTIZATION PLAN, ETC.	BALANCE PAYABLE AT BEGINNING OF PERIOD	ADDITIONS DURING PERIOD	DEDUCTIONS DURING PERIOD	BALANCE PAYABLE AT CLOSE OF PERIOD	
							TO SBA	TO OTHERS
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
					A/C 300-[illegible]	320		
TOTAL	XXX	XXX	XXX					

(a) Group the obligations payable by type under the headings: (1) "Debentures payable to SBA." (2) "SBA direct loans," (3) "Guaranteed loans purchased by SBA," (4) "Loans guaranteed by SBA," (5) "Loa not guaranteed by SBA," (6) "Mortgages payable for funds borrowed," and (7) "Mortgages payable on assets acquired in liquidation portfolio securities." Show in column (8) all obligations to SBA for funds borrowed and in column (9) all obligations to other than SBA for funds borrowed and/or on assets acquired in liquidation of portfolio securities.

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K. *Schedule 15—Capital stock of licensee.* Furnish in this schedule a complete description of the company's capital stock authorized, capital stock issued and outstanding, data relating to special transactions involving capital stock.

In column (1) shall be described the type and class of each issue, such as common-$5 par, preferred (7 percent Series of 1969), etc. The par value or, for no-par stock, the stated value shall also be reported in column (1).

The number of shares authorized, whether issued or not, shall be reported in column (2).

The number of shares and amount, at par or stated value, of stock issued and not retired or cancelled shall be reported in columns (3) and (4). The total of column (4) shall agree with Item 41 of the Statement of Financial Position. The number of shares held as treasury stock shall be shown in column (5). Column (6) will represent the difference between column (3) and column (5).

Column (7) shall be the amount at par or stated value representing the number of shares outstanding as shown in column (6). The total of column (8) shall represent the amount of capital stock subscribed at the subscription price.

In column (9) shall be reported the amount of subscriptions receivable.

Column (10) shall show the number of shares (other than those under option reserved for purchase by officers and employees, and column (11) shall show the number of shares reserved to cover options and other rights.

Schedule 15 is shown on the following page.

L. *Schedule 16—Options on licensee's capital stock.* Furnish in this schedule full information concerning outstanding capital stock options which have been granted by the company.

The holder of each option shall be identified in column (1). The number of shares optioned shall be shown in column (2). In column (3) shall be described the type and class of stock called for by the option, such as common $5 par, preferred (7 percent Series of 1969), etc.

Column (4) shall show the grant and expiration dates of each option and column (5) shall set forth the price or prices at which each option is exercisable, together with the period during which each price applies.

Column (6) shall show the fair market value, per share, of stock called for by each option, at the date the option was granted. The price at which the option is exercisable as a percentage of fair market value, per share, of the optioned stock at the date of granting shall be shown in column (7). Column (8) shall set forth the provisions made with respect to each option in the event of the optionee's death or retirement, or other circumstances.

The fair market value, per share, of stock called for at date the option was granted, if not ascertainable on the basis of actual market, shall be as determined by the board of directors in good faith.

Schedule 16 is shown on the following page.

NAME OF LICENSEE | As of _____, 19____

LICENSE NO.

CAPITAL STOCK OF LICENSEE

SCHEDULE 15

TYPE AND CLASS PAR OR STATED VALUE	NUMBER OF SHARES AUTHORIZED BY CHARTER	SHARES ISSUED AND NOT RETIRED OR CANCELLED		NUMBER OF SHARES		AMOUNT OUTSTANDING AT PAR OR STATED VALUE	AMOUNT SUBSCRIBED AT SUBSCRIPTION PRICE	AMOUNT OF SUBSCRIPTIONS RECEIVABLE	NUMBER OF SHARES RESERVED FOR OFFICERS AND EMPLOYEES	NUMBER OF SHARES RESERVED FOR OPTIONS AND OTHER RIGHTS
		NUMBER	AMOUNT AT PAR OR STATED VALUE	HELD BY OR FOR ACCOUNT OF ISSUER	OUTSTANDING					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
					A/C	400-419				
TOTAL										

OPTIONS ON LICENSEE'S CAPITAL STOCK

SCHEDULE 16

IDENTIFICATION OF PERSON OR ENTITY HOLDING OPTION	NUMBER OF SHARES OPTIONED	TYPE AND CLASS OF STOCK CALLED FOR BY OPTION	GRANT AND EXPIRATION DATES OF OPTION	PRICE OR PRICES (WITH DATES) AT WHICH OPTION EXERCISABLE	FAIR MARKET VALUE, PER SHARE, OF STOCK CALLED FOR AT DATE OPTION WAS GRANTED	PRICE OF OPTION AS PERCENT OF FAIR MARKET VALUE AT DATE OF GRANTING	PROVISIONS IN CASE OF DEATH, RETIREMENT, ETC.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
			A/C	OCS-1			

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M. *Schedule 17—Shareholders, officers, and directors of the licensee.* Furnish in this schedule the information as required by the form regarding equity securities issued by the Licensee and regarding the Licensee's officers, directors and manager.

In column (1) list: (a) Each person or company directly or indirectly owning, controlling, or holding with power to vote, 5 percent or more of the outstanding voting securities of the company.

(b) Each person or company owning of record or being known to own beneficially more than 10 percent of any other class of equity securities of the company.

(c) Each officer, director, or manager of the licensee. (List and identify officers and directors, and manager regardless of whether or not they own any equity securities of the company.)

Show in column (2) whether each natural person listed in column (1) is an officer, director, manager of the Licensee or specific combination of any of the three and the total remuneration for the period received by each from the Licensee. Indicate in column (3) the type of business in which each listed person or company is engaged. Column (4) shall show the title of each class of stock owned by any person or company and column (5) shall indicate whether the securities of the specific class are owned both of record and beneficially, of record only, or beneficially only.

In columns (6), (7), and (8), respectively, show the number of shares of each class owned by each listed person or company, the total par or stated value of such shares, and the percentage of the total number of shares of this class outstanding which is represented by the shares owned by the particular person or company.

Summarize the foregoing information by class of equity security at the bottom of the schedule.

NAME OF LICENSEE | As of _____, 19____

LICENSE NO. | SHAREHOLDERS, OFFICERS AND DIRECTORS OF THE LICENSEE | SCHEDULE 17

NAME AND ADDRESS	OFFICER, DIRECTOR, AND MANAGER	TYPE OF BUSINESS IN WHICH ENGAGED	TITLE OF CLASS	TYPE OF OWNERSHIP	AMOUNT OWNED		PERCENT OWNED OF CLASS OUTSTANDING
					NUMBER OF SHARES	TOTAL PAR OR STATED VALUE	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		Totals by Class		X			
				X			
				X			

Page 15

N. *Schedule 18—Actual loss experience on receivable, loans, and investments.* Furnish in this schedule by categories shown, the amount of loss experienced on loans and investments as well as receivable resulting from income realization. The loss experience will be stated by prior years experience and the actual loss experience during the current period.

Schedule 18 is the basis for the loss experience for the industry and is as follows.

DESCRIPTION	(1) ACTUAL LOSS PRIOR YEAR	(2) CURRENT YEAR LOSS	(3) BALANCE END OF PERIOD
Notes, Accounts and Accrued Interest Receivable			
Loans			
Debt Securities			
Equity Interests			
Assets Acquired in Liquidation of Portfolio Securities			
Other Securities	[illegible]	[illegible]	[illegible]
TOTAL			

O. *Management certification.* The certification of the Annual Report, SBA Form 468, shall bear the signature of the chief financial officer of the Licensee, or other officer authorized by the board of directors to sign in the event the chief financial officer is unavailable. The Corporate Secretary of the Licensee shall attest by signature to the fact that the minutes of a meeting of the board of directors show that the Annual Report, SBA Form 468, has been reviewed and approved by the board of directors. The date on which each signature is affixed shall be shown. All signatures on all copies of the Annual Report, SBA Form 468, submitted to SBA shall be original signatures in ink.

The certification is shown on the following page.

MANAGEMENT CERTIFICATION

The Annual Report for Fiscal Year Ended _____, 19__, submitted by the _____ (Licensee) to the Small Business Administration, and consisting of (1) the Audited Financial Statements specified in Part I, SBA Form 468 (except those statements listed below which have been omitted) and (2) management information, pages 1 through 20 inclusive, specified in Part II, SBA Form 468 (except those schedules listed below which have been omitted) are hereby certified to be correct.

Date: _____ Chief Financial Officer: _____

Title: _____

Statements and Schedules Omitted:

VERIFICATION

I hereby attest that the minutes of the meeting of the Board of Directors of the _____ (Licensee) on _____, 19____, show that the Board, at such meeting, reviewed and approved Parts I & II of the Annual Report of such company for the Fiscal Year Ended _____, 19____, covered by the above certification of the chief financial officer.

Date _____ Secretary _____

Title 18, Sections 1001 and 1006 of the U.S. Code subject to punishment by fine and/or imprisonment any person who makes any oral or written statements, entry or representation to SBA, knowing it to be false, or willfully conceals a material fact, in a matter within SBA's jurisdiction or who with intent to defraud directly or indirectly shares any benefits derived from any act of an SBIC. Title 15, Section 645(a) subjects to punishment by fine and/or imprisonment any person making a false statement or willfully overvaluing any security, for the purpose of obtaining for himself or another any loan, extension thereof, or the acceptance, release, or substitution of security therefore, or for the purpose of influencing in any way the action of SBA, or for the purpose of obtaining money or anything of value.

7. Appendix B is added and reads as follows:

APPENDIX B—GUIDE FOR PREPARATION OF THE ANNUAL REPORT, SBA FORM 468

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I. INTRODUCTION

A. *Statement of policy.* Small Business Investment Companies (SBICs) licensed by the Small Business Administration (SBA) including 301(d) Licensees are to submit to SBA annual reports and interim reports when required on their operations. Such reports are to be rendered on SBA Form 468 and are to be prepared in accordance with the instructions set forth in this guide.

This Guide was prepared by the Small Business Administration (SBA). Any inquiries or comments relating to these instructions or the Annual Report SBA Form 468 should be directed to the Staff Accountant, Investment Division, Small Business Administration, 1441 L Street, NW., Washington, D.C. 20416.

B. *Purpose.* This Guide provides instruction for the preparation of the Annual Report, SBA Form 468. The report and related instructions have been prescribed to provide standard reporting requirements and to insure that uniform and comparable data is rendered to SBA by all licensees in a timely manner.

C. *Organization of the annual report.* The Annual Report, SBA Form 468, is comprised of two parts: Financial Report (Part I) and Management Report (Part II).

The Financial Report will include the financial statements and will be the basis for the auditor's opinion. Such statements will present the licensee's financial position, results of operations, and change in financial position. Also included will be a schedule of loans and investments as well as supplementary data in schedule or note form.

The Management Report is designed to provide analytical data on the licensee's operations. Accordingly, the auditor's opinion is not expected to be extended to the management report. This report will include:

1. A summary of the Licensee's status and operations.

2. An analysis of Unrealized Gain (Loss) on Securities Held.

3. Analytical and detailed information on the licensee's Loans and Investments.

4. Other selected information.

D. *Reporting requirements.* 1. *Annual report (SBA Form 468).* Three copies of the Annual Report, SBA Form 468, shall be submitted to SBA by the Licensee as soon as practicable after completion and no later than the last day of the third month following the close of the licensee's fiscal year.

The Financial Report shall be prepared in the prescribed format and shall accompany the accountant's report. Attached to the inside of the back cover of each copy of the audit report should be a copy of any transmittal letter, special reports, or similar communications furnished to the Licensee by the auditor. If adjusting entries are furnished to the Licensee with the report, they should be submitted to SBA.

The Management Report will be submitted with the Financial Report and will contain a certification that will cover both parts I and II.

2. *Interim reports.* Upon request, licensees will submit to SBA either the complete SBA Form 468 or a part thereof; i.e., the Financial Report or the Management Report. Such reports are considered interim in that they cover less than a full year of operating and the financial report is not audited by the licensee's independent accountant. Accordingly, such interim reports are in addition to, not in lieu of, the annual report.

3. *Regulated investment companies.* Concerning Licensees that are registered with the Securities and Exchange Commission, additional reports are required by SEC which are identified in Chapter 1 of the AICPA's Audit Guide. It should be noted that any report submitted by a Licensee to the SEC shall also be submitted to SBA.

4. *Where to submit reports.* All reports rendered to SBA are to be submitted to the Investment Division, 1441 L Street, NW., Washington, D.C. 20416.

E. *Accounting & Reporting Policies.* The Audit Guide for SBICs (Items III and X) and the System of Account Classification (Item II) contain considerable discussion on accounting and reporting policies to be followed by licensees. Accordingly, the preparer of the annual report should be familiar with these policies.

A primary objective to be kept in mind by Licensees is that the information should be disclosed in a manner that will cause the data to be understandable and useful to the reader and at the same time achieve a fair presentation; i.e., full disclosure. Should events or transactions occur that do not appear to fit in the report as designed, the licensee should expand or alter the report to achieve the above objective.

It is recognized that the licensee may desire to report to shareholder or others in a format that differs from the Financial Report prescribed by SBA for licensees. Such differences should be limited to classification or format presentation and should not result in substantive differences. A copy of such reports should also be furnished to SBA.

F. *Related guidelines.* In addition to this Guide (Appendix B), the preparer of the annual report should be familiar with related accounting instructions and guidelines. Such guidelines are set forth in the Audit Guide for SBICs (Appendix A) and the System of Account Classification for SBICs (Appendix C).

Guidelines for valuing securities can be found in SBA Policy and Procedural Release No. 2006. Additional guidance for valuing securities can be found in Accounting Series Releases Nos. 113 and 118 that are issued by the Securities and Exchange Commission. Finally, Chapter 3 of the AICPA's Audit Guide for Investment Companies contains information on valuation of securities that may be useful.

II. FINANCIAL REPORT

A. *General.* The Financial Report (Part I, SBA Form 468), is designed to present the Licensee's financial statements as audited by the independent public accountant. Accordingly, the statements are based on the transactions recorded in the accounts.

The Financial Report contains standard statements and schedules. Therefore, when a particular statement or schedule does not apply to the licensee's operations, it should be omitted. For example, if the licensee did not sell any securities during the period, the Statement of Realized Gain (Loss) on Sale of Securities would be omitted. The Financial Report, therefore, should be "taylored" to fit the licensee's given situation.

Such tayloring, however, does not include deviating from accounting and reporting practices prescribed in the Audit Guide (Appendix A) or System of Account Classification (Appendix C).

The following is a detailed discussion as to how the statements are prepared.

B. *Financial report heading.* Set forth in the appropriate spaces the information called for representing the identification and the principal-office address of the Licensee. As to the employer identification number, enter the number assigned to the Licensee by the U.S. Treasury Department. If such number has not yet been assigned, an Application for Employer Identification Number, Form SS-4, shall be submitted to the U.S. Director of Internal Revenue for the area in which the Licensee's principal office is located.

The preparer of this report should keep in mind that amounts are to be rounded to the nearest dollar.

C. *Statement of financial position.* This statement is designed to meausre the Licensee's financial position as of the statement date in a conventional balance sheet format. Because of their significance, loans and investments are presented before current or other assets. Likewise, long-term debt is shown before current or other liabilities.

1. *Assets* are grouped according to Loans and Investments, Investments in 301(d) Licensee, current assets and other assets.

a. *Loans and investments* are grouped into three categories:

(1) *Portfolio securities* are those loans and investments the licensee holds in financed small business concerns that are viable.

(2) *Assets acquired in liquidation of portfolio securities* are those securities or other assets the licensee has acquired by taking action to protect its investment. Such assets are grouped according to receivables from debtors, operating concerns acquired and other assets acquired.

(3) *Other securities* are those securities the licensee holds that did not result from providing financing to small business concerns. Other securities will result when portfolio securities or assets acquired are sold and part of the net sales price is notes, or other securities. Also, dividends in kind from portfolio concerns would be classified as other securities.

The statement is designed to present loans and investments at cost and through adjustments for unrealized appreciation and unrealized depreciation arrive at their value.

b. *Investment in 301(d) licensee* is a unique investment in that the nature and purpose of the investee is similar to that of the investors. Also, the investor actively participates in the management of the investee. For these and other reasons, investments in 301(d) licensees are not classified as Loans and Investments but are shown as a separate asset group on the Statement of Financial Position. Such investments will be carried on the equity method of accounting.

c. *Current assets* are those assets that are cash, expected to be converted to cash or are expected to be expensed in the next operating business cycle; i.e., one year from the statement date. While current assets are not grouped as such for other investment companies, regulatory purposes require such a grouping for SBICs.

d. *Other assets* are those assets that are not otherwise explained above. Included are furniture and equipment, deferred charges, funds in escrow and other items.

2. *Liabilities* are classified according to long-term debt, current liabilities and other liabilities.

a. *Long-term debt* includes debt of the licensee net of current maturities. Such debt is grouped according to that which is payable to or guaranteed by SBA and that which is payable to others. It should be noted that long-term debt associated with assets acquired in liquidation is shown as a deduction from the asset rather than a liability of the licensee.

b. *Current liabilities* are those liabilities requiring the payment of cash during the next business cycle; i.e., 12 months from the statement date. Included are accounts payable, accrued interest and taxes payable, current maturities on long-term debt, dividends payable and other current items.

c. *Other liabilities* are those not otherwise classified and include trust receipts, deferred credits and other items.

3. *Capital accounts* are grouped according to paid-in capital and surplus, 3 percent preferred stock sold to SBA, unrealized gain (loss) on securities held and undistributed realized earnings.

a. *Paid-in capital and surplus* represents the licensee's capital which is the basis for leverage and other regulatory purposes. It includes the par value of capital stock issued and capital contributed in excess of par value. The total of these two items is reduced by treasury stock and the net amount becomes the leverage and regulatory base.

b. *3 percent preferred stock issued to SBA* is a part of the leverage funds obtained by a 301(d) licensee from SBA.

While such preferred stock by the nature of the instrument is equity, it is not considered paid-in capital and paid-in surplus.

c. *Unrealized gain (loss) on securities held* is the net unrealized appreciation on securities held after an allowance for taxes as of the statement date. This is the amount in column 2, line 11, on the Statement of Unrealized Gain (Loss) on Securities Held.

d. *Undistributed realized earnings* represents the cumulative balance of periodic net investment income and realized gain (loss) on securities sold, less dividend distributions. Undistributed realized earnings is comprised of:

(1) *Non-cash gain on sale of securities* which represent notes, securities or other assets that are received as part of the net sale price when securities are sold and,

(2) *Undistributed net earnings realized* which represents undistributed earnings realized net of non-cash gains on sale of securities.

4. *Retained earnings computation* in note form at the end of the Statement of Financial Position is designed to set forth "retained earnings" on the same basis and in the same manner as it was viewed on the cost basis. Such Retained Earnings will be the basis for dividend declaration (whether cash or stock) or the basis for capitalizing earnings by corporate resolution.

"Retained Earnings" is Undistributed Net Realized Earnings reduced by allowance for losses that have been established on Loans and Investments.

5. *Description by line item.* The following schedule is a description by line item as to how the amounts shown on the statement of financial position are determined.

FINANCIAL REPORT
FOR FISCAL YEAR ENDED _____, 19__

(Amounts rounded to nearest dollar)

LICENSE NO.	NAME OF LICENSEE	
EMPLOYER IDENTIFICATION NUMBER	STREET ADDRESS, CITY, AND STATE	ZIP CODE COUNTY

STATEMENT OF FINANCIAL POSITION
AS OF _____

ASSETS		VALUATION		
	COST	UNREALIZED DEPRECIATION	UNREALIZED APPRECIATION	VALUE
LOANS AND INVESTMENTS:	(1)	(2)	(3)	(4)
Portfolio Securities				
1. Loans	A/C 170 less 173	A/C 171	—	Total
2. Debt Securities	A/C 180, 184 less 188	A/C 187	A/C 186	Total
3. Equity Interests	A/C 190, 191, 194 and 197	A/C 193, 196 and 199	A/C 192, 195 and 198	Total
4. TOTAL	Add items 1 thru 3			sub-total
Assets Acquired in Liquidation of Portfolio Securities				
5. Receivables From Debtors on Sale of Assets Acquired	A/C 200	A/C 203	—	Total
6. Operating Concerns Acquired	A/C 204	A/C 206	A/C 205	Total
7. Other Assets Acquired (Net of Mortgages Payable $ A/C 313)	A/C 207 less 313	A/C 209	A/C 208	Total
8. TOTAL	Add	items 5 thru 7		sub-total
Other Securities				
9. Notes and Other Securities Received	A/C 210 and 211	A/C 213	A/C 212	Total
10. Total Loans and Investments	Add	items 4, 8, and 9		Total
11. Less Current Maturities				Items 19-21
12. Loans and Investments Net of Current Maturities				item 10 minus 11
Investment in 301(d) Licensee*				
13. Name _____ License No. _____				A/C 160
Current Assets				
14. Cash		A/C 100 thru 120		
15. Invested Idle Funds		A/C 130 thru 137	sub-total	
16. Interest and Dividends Receivable	A/C 143, 145			
17. Accounts Receivable	A/C 140, 141	sub-total		
18. Less: Allowance for Losses		A/C 142,144	sub-total	
19. Current Maturities of Portfolio Securities		A/C 150		
20. Current Maturities of Assets Acquired		A/C 152		
21. Current Maturities on Other Securities		A/C 154	sub-total	
22. Other Current Assets*			A/C 156	Items 14 thru 22
Other Assets:				
23. Furniture & Equipment		A/C 230		
Less: Accumulated Depreciation		A/C 231	Sub-total	
24. Funds in Escrow			A/C 257	
25. Other *			a	
26. TOTAL ASSETS				Items 12, 13, 14, thru 25

NOTE: Column Headings Apply to Items 1 thouugh 12 Only

(Cost - Unrealized Depreciation + Unrealized Appreciation = Value)

a. A/C 220, 221, 240, 241, 242, 255, 256, and 259.

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS OF _____

LIABILITIES & CAPITAL			
Long-Term Debt (Net of Current Maturities)*			
27. Notes and Debentures Payable To or Guaranteed by SBA		A/C 300, 301, and 310	
28. Notes and Debentures Payable to Others		A/C 311, 312, and 320	
			Items 27 and 28
29. TOTAL			
Current Liabilities			
30. Accounts Payable		A/C 340	
31. Accrued Interest Payable		A/C 350	
32. Accrued Taxes Payable		A/C 351 and 354	
33. a. Current Maturities of Line 27	A/C 330		
b. Current Maturities of Line 28	A/C 331	sub-total	
34. Dividends Payable		A/C 360 thru 364	
35. Other Current Liabilities*		A/C 358	Items 30 thru 35
			Sub-total
36. TOTAL			
Other Liabilities			
37. Trust Receipts		A/C 370, 374, and 378	
38. Deferred Credits		A/C 380 and 383	
39. Other Liabilities*		A/C 390	Items 37 thru 39
			Items 29, 36 thru 39
40. TOTAL LIABILITIES			
CAPITAL			
41. Capital Stock	A/C 400 thru 414		
42. Paid-in Surplus	A/C 420	sub-total	
43. Less: Treasury Stock, at cost		A/C 415 thru 419	
44. Paid-in Capital Stock and Surplus (Reg. Cap. $_____)		sub-total	
45. 3% Preferred Stock Issued to SBA (301 (d) Licensee's only)		A/C 430	
46. Unrealized Gain (Loss) on Securities Held		A/C 440 Less A/C 445 and 448	
47. Non-Cash Gain on Sale of Securities	A/C 450		
48. Undistributed Net Realized Earnings	A/C 451	sub-total	
			Items 44 thru 48
49. TOTAL CAPITAL			Items 40 and 49
50. TOTAL LIABILITIES & CAPITAL			

NOTE: Retained Earnings Available for Dividend Declaration or Capitalization In Accordance With SBA Regulations Computed As Follows:

Undistributed Net Realized Earnings (Line 48)	A/C 451
Less: Provision for losses	*A/C 445
Retained Earnings	Total

*The balance in this account to the extent that it represents allowance for losses on loans and investments.

D. *Statement of undistributed realized earnings.* This statement is designed to analyze the activity in undistributed realized earnings by non-cash gains on Sale of Securities and undistributed net earnings realized. The Ending Balances of this statement are the same as items 47 and 48 on the Statement of Financial Position.

Column 1 "non-cash gains" activity can be determined by reviewing account 450. "Undistributed net Earnings" Column 2 activity can be determined by reviewing account 451.

1. *Beginning balance.* State the ending balances shown on the financial report for the prior period.

2. (a) *Net investment income.* State as undistributed net earnings the amount shown as item 37 on the Statement of Operations Realized.

2. (b) *Realized gain (loss) on sale of securities.* State the amount shown in column 7, item 15 of the Statement of Realized Gain (Loss) on Sale of Securities under non-cash gains. State the net of amounts of item 15, column 5 minus column 7 of the Statement of Realized Gain (Loss) on Sale of Securities under Undistributed Net Earnings. The total of this item should agree with amount in column 5, item 15 of the Statement of Realized Gain (Loss) on Sale of Securities and the amount in item 42 of the Statement of Operations.

3. *Adjustments: collections of non-cash gains* will be a decrease in column 1 "non-cash Gains" and will be an increase in column 2 "Undistributed Net Earnings." There will be no effect on column 3, "total".

4. *Total.* Aggregate of lines 1, 2, & 3.

5. *Deductions:*

5 (a), (b), and (c) *Dividends* are to be paid out of Undistributed earnings only. Therefore, dividends will be entered in column 2.

6. *Ending balance* is determined by subtracting 5(e) "total Deductions" from item 4 that represents the beginning balance plus additions.

STATEMENT OF UNDISTRIBUTED REALIZED EARNINGS

DESCRIPTION	NON-CASH GAINS	UNDISTRIBUTED NET EARNINGS	TOTAL
1. Beginning Balance			
2. Additions:			
a. Net Investment Income			
b. Realized Gain (Loss) on Sale of Securities			
c. _____			
d. Total Additions			
3. Adjust: Collections of non-cash Gain	(_____)		//////////
4. Total (Lines 1,2,3)			
5. Deductions:			
a. Dividends - Cash	//////////		
b. Dividends - Stock	//////////		
c. Dividends - in Kind**	//////////		
d. _____			
e. Total Deductions			
6. Ending Balance			

*Provide in note form the composition of these items. Note to Item 13 should include percent owned, cost basis and change resulting from equity method of accounting.

**Name of SHC _____ ID No. _____

Number of shares being distributed _____

E. *Statement of operations realized.* This statement is designed to measure separately Net Investment Income and Realized Gain (Loss) on Sale of Securities. Such measurement is of realized operations only and is on the accrual basis of accounting.

1. *Net investment income* is the result of measuring revenue and expenses associated with investment and management assistance activities of a licensee other than realized gain (loss) on securities sold. Revenue is organized by source; i.e., from portfolio, from services provided, or from other sources. Expenses are grouped according to:

a. Financial Expenses;
b. Remuneration;
c. Initiating and Servicing costs;
d. Fixed Facilities; and
e. Other costs.

Provision for taxes is the final measurement prior to determination of net Investment Income.

2. *Realized gain (loss) on sale of securities* is a function of operations that is measured separately from net Investment Income. While the Statement of Realized Gain (Loss) on Sale of Securities provides a detailed analysis of realized gain or losses, the Statement of Operations shows in the aggregate, Net Sales price of securities sold during the period, the cost of such securities sold and a provision for taxes on the resulting gain. The remainder becomes net realized gain (loss) on sale of securities.

3. *Description by line item.* The following schedule is a description by line item as to how the amounts shown on the Statement of Operations Realized are developed. The amounts for Investment Income are derived primarily from the general ledger accounts. Therefore, the accounts whose balances comprise the amounts that are shown on the statement are identified by account number at the appropriate line item. The amounts for Realized Gain (Loss) on Sale of Securities are based on lines 11 through 15 of the Statement of Realized Gain (Loss) on Sale of Securities

NAME OF LICENSEE: _____

STATEMENT OF OPERATIONS REALIZED
FOR ___ MONTHS ENDED _____

INVESTMENT INCOME		ACCOUNTS	
REVENUE			
From Portfolio			
1. Interest on Loans and Debt Securities		512,516 &541	
2. Dividend Income		540	sub-total
From Services Provided			
3. Management Services		532	
4. Application and Other Fees		500, 534 & 536	sub-total
From Other Sources			
5. Interest on Invested Idle Funds		510	
6. Income from Assets Acquired in Liquidation of Loans and Investments (Net of $ A/C 710 Expenses)		582	
7. Other Income		520 & 584	sub-total
8. TOTAL REVENUE			Total
EXPENSES			
Financial Expenses			
9. Interest on Long-term Debt	610 & 622		
10. Commitment Fees	600		
11. Other Financial Costs	642		
12. Total Financial Expenses		sub-total	
Remuneration			
13. Officer Salaries	663-1		
14. Employee Salaries	663-2		
15. Employee Benefits	670		
16. Investment Advisory and Management Services	659 & 660		
17. Director's and Stockholder's Meetings	657		
18. Total Remuneration		sub-total	
Initiating & Servicing Costs			
19. Advertising & Promotion	650		
20. Appraisal & Investigation	651		
21. Communication	653		
22. Legal Fees	661		
23. Travel Expense	665		
24. Total Initiating & Servicings Costs		sub-total	
Fixed Facilities			
25. Cost of Space Occupied	654		
26. Depreciation Expense	655		
27. Amortization Expense	656		
28. Total Fixed Facilities		sub-total	
Other Costs			
29. Audit and Examination Fees	652		
30. Insurance Expense	658		
31. Taxes Expense (Excluding Income Taxes)	664		
32. Miscellaneous Expenses	672, 679, 680 & 715		
33. Total Other Costs		sub-total	
34. TOTAL EXPENSES			Total
35. NET INVESTMENT INCOME BEFORE PROVISION FOR INCOME TAXES			Line 8 less 34
36. a. Provision for Income Taxes		720	
b. Less Deferred Credit to Future Taxes		380-1	Net tax Expense
37. NET INVESTMENT INCOME			Line 35 less 36
REALIZED GAIN (LOSS) ON SALE OF SECURITIES			
38. Net Sale Price:			
a. Cash		Line 11, Col. 2	
b. Non-monetary Receipts		Line 11, Col. 3	Line 11, Col. 1
39. Cost of Securities Sold			Line 11, Col. 4
40. Net Prior to Income Tax Provision			Line 11, Col. 5
41. Less Provision for Income Taxes			Line 14, Col. 5
42. NET REALIZED GAIN (LOSS) ON SALE OF SECURITIES			Line 15, Col. 5

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F. *Statement of unrealized gain (loss) on securities held.* This statement summarizes the results of the valuation process of securities held as of the statement date as compared to the previous statement date and discloses the net change in the Unrealized Gain (Loss) on Securities Held.

The types of securities held are the primary groupings of loans and investments as set forth in items 1 through 12 of the Statement of Financial Position and are (1) portfolio Securities, (2) assets acquired in Liquidation of Portfolio Securities, and (3) other Securities.

In arriving at net unrealized gain (loss) on securities held, consideration must be given to unrealized appreciation (valuation above cost) and unrealized depreciation (valuation below cost) of such securities. To the extent that unrealized appreciation exceeds unrealized depreciation, a provision for income taxes will be made.

1. *Source of data.* The Beginning Balance (Column 1) of the items shown in this statement are those amounts shown as ending balances on the Statement of Unrealized Gain (Loss) on Securities Held for the prior period. The Ending Balance (Column 2) of items shown on this statement are based on the "Analysis of Unrealized Gain (Loss) on Securities Held" which is Page III in the Management Report, Part II of the Annual Report, SBA Form 468.

The net change (Column 3) is the difference between columns 1 and 2.

2. *Description by line item.* The following schedule is a description by line item as to how the amounts shown on the statement are developed.

LICENSEE: _____

STATEMENT OF UNREALIZED GAIN (LOSS)
ON SECURITIES HELD

FOR _____ MONTHS ENDED _____

DESCRIPTION	Beginning Balance (1)	Ending Balance (2) *	Net Change (3) (2) - (1)
Unrealized Appreciation:			
1. Portfolio Securities	_____	Line 7, Col. 4	_____
2. Assets Acquired in Liquidation of Portfolio Securities	_____	Line 7, Col. 8	_____
3. Other Securities	_____	Line 7, Col. 9	_____
4. Total	_____	Line 7, Col. 10	_____
Unrealized Depreciation:			
5. Portfolio Securities	_____	Line 17, Col. 4	_____
6. Assets Acquired in Liquidation of Portfolio Securities	_____	Line 17, Col. 8	_____
7. Other Securities	_____	Line 17, Col. 9	_____
8. Total	_____	Line 17, Col. 10	_____
9. Net Unrealized Appreciation (Depreciation) on Securities Held	_____	Line 18, Col. 10	_____
10. Less: Provision for Taxes	_____	Line 21, Col. 10	_____
11. Net Unrealized Gain (Loss) on Securities Held	_____	Line 22, Col. 10	_____

SOURCE: Ending Balance of prior period statement OR Lines 1, 8, and 19 of current period of analysis of Unrealized Gain (Loss) on Securities Held.

Column 2 minus Column 1 equals Column 3

* See Analysis of Unrealized Gain (Loss) on Securities Held, Management Report.

G. *Statement of change in financial position.* This statement is designed to measure the "inflows" and "outflows" of cash during the period and the resulting increase or (decrease) in cash including invested idle funds. This statement is closely related to the Statement of Operations Realized and the Statement of Financial Position.

The following description by line item explains how the amounts shown on the Statement of Changes in Financial Position are developed.

Source of Funds

1. *Net investment income (loss).* Enter the amount shown on line 37 of the Statement of Operations Realized.

2. *Depreciation, amortization, provision for loss on receivables.* Enter the total of amounts in accounts 655, 656, and 680 which amounts have been shown in line items 26, 27, and 32 of the Statement of Operations Realized.

3. *Total.* Add amounts shown in items 1 and 2.

4. *Net realized gain (loss) on sale of securities.* Enter the amount shown on line 42 of the Statement of Operations Realized.

5. *Total.* Add amounts shown in items 3 and 4.

6. *Repayments of loans and debt securities.* Enter the total of amounts shown on line item 5 Columns 1 and 2 of Summary of Portfolio, (Schedule A) of the Management Report.

7. *Sale of equity interest.* Enter the amount shown on line 5, column 6, in the Summary of Portfolio (Schedule A) of the Management Report.

8. *Collection from debtors on sale of assets acquired.* Enter the amount shown on line 5, column 1, Analysis of Assets Acquired (Schedule B) of the Management Report.

9. *Sale of assets acquired.* Enter the total of amounts shown on line 5, columns 2 and 3, Analysis of Assets Acquired (Schedule B) of the Management Report.

10. *Decrease in current assets (net of cash and invested idle funds).* Enter the amount of net change from cash transactions of items 16 through 22 of the Statement of Financial Position if that amount is a decrease during the period.

11. *Decrease in other assets.* Enter the amount of net change from cash transactions of items 9, 13, 23 thru 25 of the Statement of Financial Position if that amount is a decrease during the period.

12. *Increase in long-term debt due to or guaranteed by SBA.* Enter the amount of borrowings by the licensee during the period that were reflected as increases in accounts 300, 301 and 310.

13. *Increases in long-term debt due to others.* Enter the amount of borrowings by the licensee during the period that were reflected as increases in accounts 311, 312, and 320.

14. *Increase in current liabilities.* Enter the amount of net change from cash transactions of items 30 through 33 and 35 of the Statement of Financial Position if that amount is an increase during the year.

15. *Increase in other liabilities.* Enter the amount of net change during the period from cash transactions of items 37, 38 and 39 of the Statement of Financial Position if the amount is an increase.

16. *Sale of licensee's stock.* Enter amount of increase from cash transactions during the period of items 41 through 45 of the Statement of Financial Position.

17. *Total funds provided.* Add amounts shown in items 5 through 16.

Application of Funds

18. *Loans and debt securities.* Enter the total of amounts shown on line item 2, columns 1 and 2 of Summary of Portfolio (Schedule A) of the Management Report.

19. *Equity interests.* Enter the amount shown on line 2, column 6 in the Summary of Portfolio (Schedule A) of the Management Report.

20. *Increase in assets acquired.* Enter the amount shown on line 2, column 4, Analysis of Assets Acquired in Liquidation of Portfolio Securities (Schedule B) of the Management Report.

21. *Increase in current assets (net of cash and invested idle funds).* Enter the amount of net change from cash transactions of items 16 through 22 of the Statement of Financial Position if that aomunt is an increase during the period.

22. *Increase in other assets.* Enter the amount of net change from cash transactions of items 9, 13, 23, thru 25 of the Statement of Financial Position if that amount is an increase during the period.

23. *Decrease in long-term debt due to or guaranteed by SBA.* Enter the amount of debt repaid by the licensee during the period that was reflected as decreases in accounts 300, 301, 310, and 330.

24. *Decrease in long-term debt due to others.* Enter the amount of debt repaid by the licensee during the period that was reflected as a decrease in accounts 311, 312, 320, and 331.

25. *Decrease in current liabilities (net of dividends).* Enter the amount of net change during the period resulting from cash transaction of items 30 through 33 and 35 of the Statement of Financial Position if the amount is a decrease.

26. *Payment of dividends.* Enter the amount of dividends paid in cash during the year as shown in accounts 360 through 364.

27. *Decrease in other liabilities.* Enter the amount of net change during the period from cash transactions of items 37, 38, and 39 of the Statement of Financial Position if that amount is a decrease.

28. *Total funds applied.* Add items 18 through 27.

29. *Increase (decrease) in cash and invested idle funds.* Enter the amount of net increase or (decrease) during the period of items 14 and 15 of the Statement of Financial Position. This amount should be the same as the net of item 17 minus 28 of this statement.

STATEMENT OF CHANGE IN FINANCIAL POSITION
FOR _____ MONTHS ENDED _____

SOURCE OF FUNDS		
From Operations Realized		
1. Net Investment Income (Loss)		
2. Add: Depreciation, Amortization, Provision for loss on Receivables		
3. TOTAL		
4. Net Realized Gain (Loss) on Sale of Securities		
5. TOTAL		
Decrease in Portfolio Securities		
6. Repayment of Loans & Debt Securities		
7. Sale of Equity Interests		
Decrease in Assets Acquired:		
8. Collection from Debtors on Sale of Assets Acquired		
9. Sale of Assets Acquired		
10. Decrease in Current Assets (Net of Cash and Invested Idle Funds)		
11. Decrease in Other Assets		
Increase in Long-term Debt:		
12. Due to or Guaranteed by SBA		
13. Due to Others		
14. Increase in Current Liabilities		
15. Increase in Other Liabilities		
16. Sale of Licensee's Stock		
17. TOTAL FUNDS PROVIDED		
APPLICATION OF FUNDS		
Increase in Portfolio Securities		
18. Loans and Debt Securities		
19. Equity Interests		
20. Increase in Assets Acquired		
21. Increase in Current Assets (Net of Cash and Invested Idle Funds)		
22. Increase in Other Assets		
Decrease in Long-term Debt:		
23. Due to or Guaranteed by SBA		
24. Due to Others		
25. Decrease in Current Liabilities (Net of Dividends)		
26. Payment of Dividends		
27. Decrease in Other Liabilities		
28. TOTAL FUNDS APPLIED		
29. Increase (Decrease) in Cash and Invested Idle Funds (Line 17 minus Line 28)		

H. *Statement of realized gain (loss) on sale of securities.* Since gain or loss or sale of securities is considered realized at the point of sale rather than at the point of collection, this statement measures net gain (loss) on securities sold according to cash and non-cash gains. It provides supporting detail to the Statement of Operations Realized.

Although this statement is entitled "Statement of Realized Gain (Loss) on Sale of Securities" it is intended to include securities written off as worthless.

The following description by column and by line item explains how the amounts shown on the Statement of Realized Gain (Loss) on Sale of Securities are developed.

Column 1: "Net Sale Price". The net sale price will include both monetary and non-monetary assets received by the licensee upon sale of securities but will be net of normal selling expenses. It will be the total of amounts shown in columns 2 and 3.

Column 2: "Cash Received". As implied, this will include cash and cash items only. It should be noted that purpose of this column is more restrictive than "monetary assets" as defined in AFB No. 29.

Column 3: "Non-Monetary Receipts." By definition, include receipts other than cash or cash items. APB No. 29 would include notes receivable in cash to be a monetary asset and therefore, not a non-monetary receipt. Licensees, however, will consider notes receivable to be non-monetary receipts. The non-monetary assets received in each sale should be explained in note form to this schedule.

Column 4: "Cost of Securities Sold." This column will include the licensee's cost basis of securities sold. Cost will not be affected by unrealized depreciation (provision for losses) or unrealized appreciation. Rather, appreciation or depreciation previously recorded for securities sold will be reversed at the time of sale.

The one exception to this rule will be the sale of an equity interest in an unincorporated concern. Since the equity method of accounting applies, the carrying value will be other than cost. Therefore, the carrying value will be shown in column 4 rather than cost.

Column 6: "Cash Gains". This column measures gains realized in cash. Such amounts are determined by comparing cash received (column 2) on sale of securities with cost of securities sold (column 4). When cash exceeds the cost, the result is a net cash gain. However, if the cost exceeds the cash, a non-cash gain will be recognized to the extent a gain is shown in column 5. When a loss is realized there will be no amount shown in column 6 or 7.

Column 7: "Non-Cash Gain". This column will measure gains realized representing receipts other than cash. It is determined by comparing net gains shown in column 5 and cash gains shown in column 6.

2. *Line item description.* The line item organization and groupings are the same as items 1 through 10 of the Statement of Financial Position with one exception; the addition of Invested Idle Funds (item 15 of the Statement of Financial Position) as item 10. Concerning line item 3 "Equity Interests," this item includes: (a) capital stock of SBCs, (b) Equity Interests of Unincorporated Concerns, and (c) Warrants, options and other stock rights.

It should be noted that the amounts in column 5 will be the net amount of balance in the following accounts:

Line item	*Accounts*
1. Loans	701.
2. Debt securities	572, 702.
3. Equity interests	574, 576, 577, 705, 706, 707.
5. Receivables from debtors on sale of assets acquired	578, 708.
6. Operating concerns	578, 708.
7. Other assets acquired	578, 708.
9. Other securities	579, 709.
10. Invested idle funds	570, 700.
12. Federal income taxes	722.1.
13. State and local income taxes	722.2.

The amounts shown in item 11, columns 1 through 5, and item 14 are to be entered in items 38 through 42 of the Statement of Operations Realized. The amounts shown in item 15 are to be entered in item 2(b) of the Statement of Undistributed Realized Earnings. It should be noted that the amount entered in "Undistributed Net Earnings" is net amount of column 5 minus column 7, line 15 of Statement of Realized Gain (Loss) on Sale of Securities.

NAME OF LICENSEE _____

STATEMENT OF REALIZED GAIN (LOSS) ON SALE OF SECURITIES
FOR _____ MONTHS ENDED _____

DESCRIPTION	(1) NET SALE PRICE	(2) LESS CASH RECEIVED	(3) NON-MONETARY RECEIPTS*	(4) COST OF SECURITIES SOLD	(5) (1)-(4) NET GAIN (LOSS)	(6) (5)-(3) CASH GAINS	(7) (5)-(6) NON-CASH GAINS
Portfolio Securities							
1. Loans					(701)		
2. Debt Securities					572 (702)		
3. Equity Interests					(a)		
4. Total (Lines 1 thru 3)					sub-total		
Assets Acquired							
5. Receivables from Debtors on Sale of Assets Acquired					578 (708)		
6. Operating Concerns					578 (708)		
7. Other Assets Acquired					578 (708)		
8. Total (Lines 5 thru 7)					sub-total		
9. Other Securities					579 (709)		
10. Invested Idle Funds					570 (700)		
11. Total (Lines 4, 8, 9 and 10)					sub-total		
Less: Estimated Income Taxes:					722-1		
12. Federal Income Taxes					722-2		
13. State and Local Income Taxes					sub-total		
14. Total (Lines 12 and 13)					Total		
15. Net Realized Gain (Loss) on Sale of Securities (Line 11 minus Line 14)							

*Describe in note form the Non-monetary Receipts of Each Sale.

(a) 574, 576, 577, (705 thru 707)

I. *Statement of commitments and guarantees.* This statement provides a schedule of outstanding commitments of the Licensee to provide funds to small business concerns. It also shows by small business concerns the amount of such concern's debt to a third party the Licensee has guaranteed. Such amounts will be shown according to Portfolio Securities or Assets Acquired in Liquidation of Portfolio Securities.

The following schedule is a description as to how the amounts shown on the Statement of Commitments and Guarantees are developed.

NAME OF LICENSEE _____

STATEMENT OF COMMITMENTS & GUARANTEES
AS OF _____

DESCRIPTION	PORTFOLIO	ASSETS ACQUIRED	TOTAL
Commitments Of Funding Name of SBC that received the commitment SOURCE: Memorandum Accounts CL-15			
TOTAL			
Guarantees to Others: Name of SBC and name of third party guaranteed SOURCE: Memorandum Accounts CL-16			
TOTAL			
Total Commitments & Guarantees Outstanding			

J. *Schedule of loans and investments.* This Schedule will show loans and investments outstanding at the Statement date by Small Business Concerns grouped into the following categories: (1) "Portfolio securities" segregated by publicly held SBCs and privately held SBCs; and (2) "assets acquired in liquidation of portfolio securities," and (3) "other securities."

The Schedule will contain the name of the Small Business Concern, brief description of the securities, cost basis, valuation by Board of Directors and potential equity interest in the concern. On publicly traded securities, the exchange on which the security is traded should be indicated by symbol and legend.

An illustrated schedule of loans and investments is contained in the Audit Guide (Appendix A) on page 38.

III. Management Report

A. *General.* The Management Report (Part II, SBA Form 468) is designed to provide SBA with analytical data on the licensee's operations.

The schedules in this report are designed to cover a variety of situations. The preparer of the report, however, should recognize that when a particular schedule does not apply to his licensee's operations, the schedule should be omitted. Accordingly, if the licensee has no assets acquired in liquidation, pages 9 through 13 will be omitted.

The table of contents to the Management Report summarizes the information contained in the report and is as follows.

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	Schedules
Size and classification	
Overview of licensee's operations	
Analysis of unrealized gain (loss) on securities held	
Summary of portfolio securities	A
Schedules of:	
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Debt securities	2
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Equity interests of unincorporated SBCs	4
Warrants, options, and other stock rights acquired from SBCs	5
Details of certain portfolio securities	6
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Schedules of:	
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Other assets acquired in liquidation	10
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Cash and invested idle funds	12
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Capital stock of licensee	15
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Shareholders, officers, and directors of licensee	17
Actual loss experienced on receivables, loans, and investments	18
Management certification	

B. *Size and classification.* This data sheet provides information on the licensee's size, ownership, investment policy and venture capital status.

1. *Size* should be measured in total assets as shown on line 26 of the Statement of Financial Position. This measurement is indicative of funds invested in or available for investment in small business.

2. *Ownership* is measured according to bank owned or related, other corporate entity, or individually owned.

Licensees are presumed to be owned by a Financial Corp. or non-financial corp. if 50 percent or more of its stock is owned by such corporation. Otherwise, the licensee's ownership is considered to be "individualy owned."

Concerning public or non-public, i.e., private ownership, a company's stock is considered to be publicly owned if the company has sold its stock in the market place to raise capital and it is regulated by the Securities and Exchange Commission. Otherwise, the company is considered to be privately owned.

3. *Investment policy* should be that which the licensee has adopted as set forth in its proposal to operate, as amended.

4. *Venture capital status* should be based on the computation made in accordance with § 107.202 of SBA regulations.

Size and Classification

Size—in total assets

- ☐ Zero to $2 million.
- ☐ $2 million to $5 million.
- ☐ $5 million to $10 million.
- ☐ Over $10 million.

Ownership

- ☐ Bank owned (95% or more).
- ☐ Partially Bank owned (_____%).
- ☐ Financial corp. other than Bank or Bank Hold. Co.
  - ☐ Public.
  - ☐ Non-public.
- ☐ Non-Financial Corp.
  - ☐ Public.
  - ☐ Non-public.
- ☐ Individually owned
  - ☐ Public.
  - ☐ Private.

Investment policy

- ☐ Diversified.
- ☐ Non-diversified. (SIC code, 2 digit_____).

Venture capital status

- ☐ Venture Capital Qualified.
- ☐ Not Venture Capital.

C. *Overview of licensee's operations.* The "Overview" is intended to be a summary of the licensee's operations for the period completed viewed from the standpoint of the Licensee's management. It should contain significant events affecting the licensee's operations that would assist the reader in understanding the data contained in the report. Accordingly, the following description is a guide as to what the overview should contain.

Overview of Licensee's Operations

The overview is intended to be a narrative summary of the Licensee's operations during the year recently completed. It will summarize activities involving such things as applications for funding received from Small Business Concerns, financings made, management assistance provided, etc.

In those instances where the Licensee has assets acquired in liquidation, progress toward disposing of such assets should be summarized. The overview will include comments on matters relating to SBA Regulations and other matters of interest considered appropriate.

It is also contemplated that the overview will include success stories where they occur, have been accomplished, and can be measured.

Regarding the coming year, significant events expected to occur and that will affect the Licensee's operations in the coming year should be highlighted.

D. *Analysis of unrealized gain (loss) on securities held.* This analysis is designed to be more comprehensive than the Statement of unrealized gain (loss) on securities held which is contained in the Financial Report. This analysis is intended to measure the component increases and decreases of both unrealized appreciation and unrealized depreciation. Such measurement is according to the classification of portfolio securities, assets acquired in liquidation of portfolio securities and other securities.

It should be noted that the information contained in this analysis should be consistent with the Statement of Unrealized Gain (Loss) on Securities Held which is included in Part I.

The information contained in this schedule is based on Schedules 1 through 5 and 8 through 10 of this report. Such information can also be obtained by analayzing the activity in the various ledger accounts shown on the following page.

NAME OF LICENSEE _____

ANALYSIS OF UNREALIZED GAIN (LOSS) ON SECURITIES HELD
AS OF _____

DESCRIPTION	PORTFOLIO SECURITIES				ASSETS ACQUIRED				OTHER SECURITIES	TOTAL
	LOANS	DEBT SECURITIES	EQUITY INTERESTS	TOTAL	RECEIVABLES FROM DEBTORS ON SALE OF ASSETS ACQUIRED	OPERATING CONCERNS	OTHER ASSETS ACQUIRED	TOTAL		
UNREALIZED APPRECIATION ON SECURITIES HELD										
1. Balance, Beginning of Period										
2. Add: Increase in Fair Value										
3. Less: Unrealized Appreciation on Investments Sold		A/C 186	A/C 192, 195 and 198			A/C 205	A/C 208		A/C 212	
4. Decrease in Fair Value										
5. Total (Lines 3 and 4)										
6. Net Increase (Decrease) (Line 2 minus Line 5)										
7. Balance, End of Period (Line 1 plus Line 6)				Total: Col. 1 through 3				Total: Col. 5 through 7		Total of Cols. 4, 8, & 9
UNREALIZED DEPRECIATION ON SECURITIES HELD										
8. Balance Beginning of Period										
9. Add: Provisions During Period										
10. Other Additions										
11. Total (Lines 9 and 10)										
12. Less: Writeoffs During Period										
13. Allowance on Securities Sold										
14. Other Deductions	A/C 171	A/C 187	A/C 193, 196, & 199		A/C 203	A/C 206	A/C 209		A/C 211	
15. Total (Lines 12 through 14)										
16. Net Increase (Decrease) (Line 11 less Line 15)										
17. Balance, End of Period (Line 8 plus Line 16)										
18. Net Unrealized Gain (Loss) on Securities Held (Line 7 minus Line 17)										
PROVISION FOR TAXES ON UNREALIZED GAIN ON SECURITIES HELD										
19. Balance, Beginning of Period										
20. Increase (Decrease)				A/C 380				A/C 380	A/C 380	Total
21. Balance, End of Period										
22. NET UNREALIZED GAIN (LOSS) ON SECURITIES HELD (Line 18 minus 21)										

8. Appendix C is added to read as follows:

APPENDIX C—SYSTEM OF ACCOUNT CLASSIFICATION

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D. Management consulting subsidiary.
E. Tax allocation policy.
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G. Profit sharing.
H. Financing discounts and fees.
I. Realization of gain (loss) on sale of securities.
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III. Chart of Accounts

A. Account numbering system.
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C. Primary classification of accounts.
D. Detail chart of accounts.

IV. Description of Accounts

I. INTRODUCTION

A. *Statement of policy.* Small Business Investment Companies (SBICs) licensed by the Small Business Administration (SBA) including 301(d) licensees are to maintain their books of account in accordance with the system of account classification and accounting policies herein prescribed. Accounting principles and practices set forth herein are in accordance with generally accepted accounting principles as set forth by the American Institute of certified public accountants for investment companies.

The system of account classification is adaptable to manual or machine accounting procedures employing the double-entry method of accounting, and is otherwise designed to meet the specific needs of companies licensed in accordance with the provisions of the Small Business Investment Act of 1958, as amended.

Nothing contained in this system of account classification can or is intended to authorize or approve any operation or action by a Licensee, or any other action, not authorized or approved by the Small Business Investment Act of 1958, as amended, or the rules and regulations promulgated thereunder.

This system of Account Classification was prepared by the SBA. Any inquiries or comments relating to the system should be directed to the Staff Accountant, Investment Division, Small Business Administration, 1441 L Street, NW., Washington, D.C. 20416.

B. *Purpose of the system.* This system has been prescribed to insure that standard books of account are maintained by licensees and that uniform accounting policies are followed. By design, the system is basic and may be expanded by a licensee if necessary.

C. *Maintenance and retention of records.* The licensee's books and records shall be maintained at its principal place of business. Books and records shall include its books of account, and other records, and memoranda which support the entries in its books of account. These supporting records shall be maintained in such manner as to be able readily to furnish information on any item included in any account. The books and records referred to herein include not only accounting records in a limited technical sense, but other records, such as minute books, capital stock records, reports, correspondence, and memoranda which may be useful in developing the history of, or facts regarding, any transaction.

Complete records of nominal assets and contingent liabilities must be maintained. This is especially true with respect to (1) outstanding commitments to finance small business concerns through loans to them or the acquisition of their equity securities and to make funds available to other lenders through deferred participations, and (2) outstanding guarantees under which the company is contingently liable to lending institutions in connection with obligations of portfolio concerns. A section providing for the maintenance of appropriate memorandum records is included herein, covering nominal assets, contingent liabilities, options on the capital stock of the small business investment company, and the actual loss experience of the company.

Section 107.1102 of SBA rules and regulations specifies the time period licensee's records are to be maintained.

II. ACCOUNTING POLICIES AND PRACTICES

As a general rule, accounting policies followed by licensees are those promulgated by the American Institute of CPA's as generally accepted accounting principles and practices. Certain of these principles and practices are prescribed in the AICPA's audit guide.

The significant accounting policies licensees are to follow are summarized below. The summary is intended to highlight the more important accounting policies and practices rather than being an all inclusive statement.

A. *Accrual basis of accounting.* Books of account shall be maintained on an accrual basis and, at the end of each month transactions shall be posted to the General Ledger. Entering in the records and posting to the General Ledger of accruals applicable to each month is optional but all accruals are to be entered in the records and posted as the end of the fiscal year, and as of such other dates as mark the close of periods to be covered by interim or special financial reports required to be furnished to SBA including the annual examination by SBA Examiners.

B. *Accounting and reporting loans and investments on the value basis.* Loans and investments will be recorded at cost. However, unrealized appreciation or depreciation of such securities will be recognized in the accounts and as such will result in fair value accounting for loans and investments.

The practice of valuing loans and investments at the fair value and reflecting in the accounts the resulting unrealized gain (loss) on such securities held has been adopted by the American Institute of CPA's as being a generally accepted accounting practice for Investment companies. Accordingly, this practice is being adopted for SBICs.

The adoption of this practice causes unrealized appreciation on loans and investments to be recognized in the accounts. Unrealized depreciation, essentially allowance for losses, has always been recognized. An appropriate tax provision will be established for net unrealized appreciation on securities held.

C. *Equity method of accounting.* The carrying value of equity interests in unincorporated concerns will be determined by the equity method of accounting. However, for valuation purposes, the fair value basis of accounting will be used for the equity interest in unincorporated concerns.

The equity method of accounting will also apply to the investment in 301(d) licensees. Accordingly, an SBIC's investment account will be adjusted for its proportionate share of net income (loss) of such investee as well as dividends paid by the investee. The result will be an investment carried at the book value of such stock.

D. *Management consulting subsidiary.* According to § 107.601(c) of SBA regulations, consolidated financial statements are to be submitted to SBA when a licensee has a management consulting subsidiary. Although no provision has been made in the system of accounts for management consulting subsidiaries, books of account are to be maintained for the subsidiaries so as to properly account for its financial position and results of operations. Such accounts should also be compatible with this system of accounts.

Consolidated statements will include only the licensee and the management consulting subsidiary. Other subsidiaries are not to be reported on a consolidated basis.

E. *Tax allocation policy.* Tax allocation policies as set forth in Accounting Principals Board Opinion No. 11, Accounting for Income Taxes, effective December 31, 1967, will be followed by licensees in accounting for income taxes.

A difference between the amount of gain or loss recognized for tax purposes and that recognized for accounting purposes may constitute a timing difference to be accounted for according to APB Opinion No. 11.

F. *Accrual of interest income.* Interest Income will be accrued accordingly to terms of interest bearing loans and investments. Interest will not be accrued if the ability of the small business concern to pay such accrued interest is doubtful. Indicators of uncollectible accrued interest are when the SBC is in bankruptcy, or on the verge thereof, or otherwise considered to be insolvent. Other indicators are when principal and/or interest payments are in default more than 6 months or when the Board of Directors values the security below cost and considers collection to be doubtful.

G. *Profit sharing.* As a general rule, profit sharing with the financed concern is an adjustment of the interest rate. An exception to this rule is when the licensee makes an investment in an unincorporated concern which takes the form of an equity interest rather than a loan and the financed concern treats the profit sharing as an equity distribution rather than an expense.

H. *Financing discounts and fees.* Discounts on debt instruments resulting from financing made to small business concerns are considered an upward adjustment of the interest rate and are to be amortized over the stated life of the instrument on a straight-line basis. Accordingly, the discount is considered earned as it is amortized.

Fees, as a general rule, are considered earned at the time of financing since they are for services rendered in connection with the financing. To the extent fees are for services to be rendered in the future, such amount will be considered unearned until the services are performed at which time such fees will be considered earned.

I. *Realization of gain (loss) on sale of securities.* In accordance with the accrual basis of accounting, gain or loss on sale of securities or other assets of a licensee will be realized at the point of sale rather than at the point of collection. This practice assumes that the collectibility of the gain is reasonably assured and that the earnings process is complete, i.e., the licensee is not obligated to perform significant

activities after the sale in order to earn the gain.

Any transaction with recourse upon the Licensee or involving any understanding, agreement, option, privilege, or other rights to repurchase by and/or resell to the Licensee may not be considered as a final transaction. Any reacquisition of the securities by the Licensee, resulting from prior agreements or rights, shall be construed by SBA as a nullification of the original sale transaction.

Any gain on sale of securities which does not qualify as realized gain in accordance with the foregoing shall be deferred pending such realization.

When part of the net sales price is other than cash, gain will continue to be realized at the time of sale unless the sale is not a final transaction or unless collection of the proceeds is not reasonably assured. However, such non-cash gains will not be available for capitalization or dividend distribution until collected. When such assets are converted to cash, application will first be made to the recovery of the licensee's cost of securities sold and then to gain, i.e., the cost recovery method.

Losses are recognized at the point of sale and are shown as a reduction of undistributed net earnings realized. They have no effect on non-cash gains.

Cost of securities sold is usually the carrying value of such assets on the licensee's books. Occasionally, a licensee will acquire shares of an investee's stock (which shares are of the same class) at different times and prices. When part of the shares are sold, the cost attributed to such shares will be based on an average cost of shares held rather than specific identity.

J. *Unrealized gain (loss) on securities held.* Unrealized gain (loss) on securities held results from the licensee's director's valuation of Loans and Investments. Unrealized appreciation represents the valuation above cost and unrealized depreciation represents valuation below cost. After considering an appropriate provision for taxes, the net amount will be "unrealized gain (loss) on securities held."

Such unrealized gain (loss) is primarily a function of valuation rather than a function of operations. Accordingly, unrealized gain (loss) on securities held will be measured separately in the equity accounts rather than being a measurement of earnings. Such accounting treatment is not at variance with Accounting Principles Board Opinion No. 9, Reporting the Results of Operations, issued by the AICPA and effective December 31, 1966, or with accounting practices set forth in the AICPA Audit Guide for Investment Companies as applied to SBICs.

K. *Undistributed realized earnings.* Undistributed realized earnings will encompass all realized earnings whether in cash or non-monetary receipts such as notes receivable, stock, etc. Earnings realized in other than cash will not be available for dividend declaration or otherwise made available for capitalization until converted to cash. Therefore, non-cash gains on sale of securities will be restricted until converted to cash. Gain or loss of securities held is unrealized and, therefore, not measured in undistributed earnings.

L. *Accounting for non-monetary transactions.* Non-monetary transactions involve both reciprocal and non-reciprocal transfers of assets or liabilities not involving cash between the licensee and another entry or person, or between the licensee and its stockholders. Accounting principals Board Opinion No. 29, issued by the AICPA and effective October 1, 1973, should be followed by licensees to the extent applicable when accounting for non-monetary transactions.

1. *Loan and investment transactions.* Non-monetary exchanges with portfolio concerns or others whereby the licensee transfers certain securities or assets for other securities or assets will not be considered transactions where gain (loss) is realized whether such transactions are taxable or non-taxable exchanges. The accounting basis for assets received will be the same basis as assets transferred and unrealized gain (loss) on securities held will be the result of the valuation process.

2. *Dividends and spin-offs.* Dividends in kind are nonreciprocal transfers of non-monetary assets to owners and should be accounted for at fair value if such fair value is objectively measurable and would clearly realizable to the licensee in an outright sale at or near the time of distribution. Otherwise, the transfer should be accounted for at cost without realizing a gain (loss). The average cost method will be used in determining cost of dividends in kind.

M. *Special policies applying to 301(d) licensees*—1. *Interest subsidy.* The interest subsidy applies to debentures purchased by SBA from a 301(d) licensee and is a "deferment" of interest payments rather than a "subsidy" in the true sense. Such deferred interest will be payable to SBA before the licensee can make a distribution to stockholders of any kind. Since the going concern concept must be presumed and distributions to stockholders are expected in the normal course of business, the deferred interest will be recognized as an expense in the period to which it applies, and a liability will be established for such deferred interest payments.

2. *Three percent non-voting preferred stock purchased by SBA.* Although considered leverage funds, preferred stock purchased by SBA of 301(d) licensee is treated like other equity securities for accounting purposes. Dividends on such stock receive the conventional treatment of dividends and are declared and paid out of "retained earnings."

3. *Capitalized operating expenses.* Frequently, 301(d) licensees that have parent companies will be allowed to increase capital by transfers of allocated operating expenses incurred on the part of the licensee but paid for by the parent company. Another form of the same type of transaction exists when the parent company increases private capital of a subsidiary licensee by a cash transfer which funds are designated to be used for budgeted operating expenses.

Such transfers whether monetary or non-monetary will be expenses rather than being treated as an asset on the basis that they have no future value.

III. Chart of Accounts

A. *Account numbering system.* This system provides for two-digit number designations for major categories under which accounts are listed, and three-digit number designations for individual general ledger accounts. The first two digits of an individual account number refer to the major category under which the account is classified and the third digit identifies the specific account. Digits from zero through nine are used to identify specific accounts. For example, the first deposit bank account established will be designated "100" and the second "101." It will be noted that some categories encompass individual accounts in sufficient number to require assignment of more than one two-digit number to identify the category. For example, "Cash on Hand and in Banks" has been assigned category numbers "10," "11," and "12."

B. *Additional accounts.* Licensees may incorporate such additional accounts into their accounting system that are considered necessary.

Any account may be subdivided provided that such subaccounts do not impair the integrity of the accounts set forth in the prescribed system. Subaccounts shall refer by number and title to the accounts which they apply. Use of a decimal system is required for extending the account numbers to identify such subaccounts.

C. *Primary classification of accounts.* The primary classification of accounts is as follows:

General ledger

Account No.	*Description*
100 to 299	Asset and valuation accounts.
300 to 399	Liability accounts.
400 to 499	Capital accounts.
500 to 599	Income accounts.
600 to 799	Expense accounts.

Memorandum records

NA–10 to NA–14	Nominal assets.
CL–15 to CL–17	Contingent liabilities.
OCS–1	Options on company's stock.
AL–1	Actual (realized) losses.

D. *Detail chart of accounts.* The detail chart of accounts is organized according to the primary classification of accounts and identifies the account number and title of each account. The page where a description of the account can be found is indicated at the right of the account title.

ASSET AND VALUATION ACCOUNTS

10–12 *Cash on hand and in banks*

100–108	Deposits in _____ bank.
110–112	Deposits in imprest account in _____ bank.
118	Cash items in process of collection.
120	Petty cash fund.

13 *Invested idle funds*

130	U.S. Government obligations, direct and fully guaranteed.
131	Insured savings accounts.
135–137	Time certificates of deposit in _____ bank.

14 *Receivables*

140	Notes receivable.
141	Accounts receivable.
142	Allowance for uncollectable notes and accounts receivable.
143	Accrued interest receivables.
144	Allowances for uncollectible interest receivable.
145	Dividends receivable.

15 *Current maturities and other current assets*

150	Current maturities on portfolio securities.
152	Current maturities on assets acquired in liquidation of portfolio securities.
154	Current maturities on other securities.
156	Other current assets.

16 *Investment in 301(d) licensee*

160	Investment in 301(d) licensee.

17 *Loans to small business concerns*

170	Loans.
171	Depreciation of loan values.
173	Unearned discount, fees, and other charges on loans.

18 *Debt securities of small business concerns*

180	Debt securities, convertible, and with stock purchase warrants or options.
184	Debt securities divested of stock rights.
186	Appreciation of debt securities of SBCs.
187	Depreciation of debt securities values.
188	Unearned discount, fees, and other charges on debt securities.

19 *Equity interests of SBCs*

190 Capital stock of SBCs, convertible, and with stock purchase warrants or options.
191 Capital stock of SBCs—other.
192 Appreciation of capital stock of SBCs.
193 Depreciation of capital stock values.
194 Equity interests of unincorporated concerns.
195 Appreciation of equity interests in unincorporated concerns.
196 Depreciation of equity interests in unincorporated concerns.
197 Warrants, options, and other stock rights acquired from SBCs.
198 Appreciation of warrants, options, and other stock rights acquired from SBCs.
199 Depreciation of warrants, options and other stock rights acquired from SBCs.

20 *Assets acquired in liquidation of portfolio securities*

200 Receivables from debtors on sale of assets acquired in liquidation of portfolio securities.
203 Depreciation in values of receivables from debtors on sale of assets acquired in liquidation of portfolio securities.
204 Operating concerns acquired.
205 Appreciation on operating concerns acquired.
206 Depreciation on operating concerns acquired.
207 Other assets acquired in liquidation of portfolio securities.
208 Appreciation on other assets acquired in liquidation of portfolio securities.
209 Depreciation of other assets acquired in liquidation of portfolio securities.

21 *Other securities*

210 Notes and other securities received on sale of portfolio securities.
211 Other securities received.
212 Appreciation of other securities.
213 Depreciation of other securities.

22 *Prepaid expenses and deferred charges*

220 Prepaid expenses.
221 Deferred charges.

23 *Furniture and equipment*

230 Furniture and equipment.
231 Accumulated depreciation on furniture and equipment.

24 *Corporate premises owned*

240 Corporate premises owned.
241 Accumulated depreciation on corporate premises owned.
242 Leasehold improvements.

25 *Other assets*

255 Amounts due from directors, officers, and employees.
256 Organization costs.
257 Funds in escrow.
259 Other assets.

LIABILITY ACCOUNTS

30 *Notes and other obligations payable to SBA for funds borrowed*

300 Notes payable to SBA.
301 Debentures payable issued to SBA.

31 *Notes and other obligations payable to other than SBA for funds borrowed*

310 Notes payable to other than SBA—guaranteed by SBA.
311 Notes payable to other than SBA—not guaranteed by SBA.
312 Mortgages payable for funds borrowed.
313 Mortgages payable on assets acquired in liquidation of portfolio securities.

32 *Notes payable—other*

320 Notes payable—other.

33 *Current maturities of long-term debt*

330 Current maturities of notes and debentures payable to or guaranteed by SBA.
331 Current maturities of notes and debentures payable to others not guaranteed by SBA.

34 *Accounts payable*

340 Accounts payable.

35 *Accrued expenses and other current liabilities*

350 Accrued interest payable.
351 Accrued taxes.
354 Estimated income taxes accrued.
358 Other current liabilities.

36 *Dividends payable*

360–364 Dividends payable on _____ (type and class) capital stock.

37 *Trust receipts*

370 Employee taxes withheld.
374 Unapplied receipts.
378 Miscellaneous trust receipts.

38 *Deferred credits*

380 Deferred credit to future income taxes.
383 Other deferred credits.

39 *Other liabilities*

390 Other liabilities.

CAPITAL ACCOUNTS

40–41 *Capital stock*

400–404 _____ (Type and class) capital stock authorized.
405–409 _____ (Type and class) unissued capital stock.
410–411 _____ (Type and class) capital stock subscribed.
413–414 Capital stock subscriptions receivable _____ (Type and class)
415–419 Treasury stock _____ (Type and class)

42 *Paid-in surplus*

420 Paid-in surplus.

43 *3 percent preferred stock (301(d) licensees only)*

430 3 percent preferred stock, cumulative, non-voting issued to SBA.

44 *Unrealized gain (loss) on securities held*

440 Unrealized appreciation on loans and investments.
445 Unrealized depreciation on loans and investments.
448 Estimated taxes on net realized gain (loss) gain on securities held.

45 *Undistributed realized earnings*

450 Non-cash gains on sale of securities.
451 Undistributed net realized earnings.

46 *Profit and loss clearing*

460 Profit and Loss summary.
461 Realized gain and loss summary in cash.
462 Non-cash realized gain summary.

INCOME ACCOUNTS

50 *Commitment income*

500 Commitment income.

51–52 *Interest income*

510 Interest on invested idle funds.
512 Interest on loans.
516 Interest on debt securities.
520 Interest income—other.

53 *Fee income*

532 Management service fees.
534 Investigation and service fees charged other lenders.
536 Application and appraisal fees.

54 *Dividends and other earnings*

540 Dividends on capital stock of SBCs.
541 Sharings in income or revenue of SBCs.

57 *Gain on securities and other assets*

570 Gain on U.S. Government securities.
572 Gain on debt securities.
574 Gain on capital stock of SBCs.
576 Gain on equity interest of unincorporated SBC.
577 Gain on warrants, options, and other stock rights acquired from SBCs.
578 Gain on assets acquired in liquidation of portfolio securities.
579 Gain on other assets.

58 *Miscellaneous income*

582 Income from assets acquired in liquidation of portfolio securities.
584 Other income.

EXPENSE ACCOUNTS

60 *Commitment expense*

600 Commitment expense.

61–62 *Interest expense*

610 Interest on obligations payable to SBA.
622 Interest on obligations payable to other than SBA.

64 *Stock record and other financial expenses*

642 Stock record and other financial expenses.

65–67 *Operating expenses*

650 Advertising and promotional costs.
651 Appraisal and investigation costs.
652 Auditing and examination costs.
653 Communications.
654 Cost of space occupied.
655 Depreciation of corporate premises owned, furniture, and equipment.
656 Amortization of leasehold improvements.
657 Directors' and stockholders' meetings costs.
658 Insurance.
659 Management services fees.
660 Investment adviser costs.
661 Legal services.
663 Salaries.
664 Taxes, excluding income taxes.
665 Travel.
670 Employee benefits expense.
672 Amortization of organization expense.
679 Miscellaneous operating expenses.

68 *Estimated losses on receivables*

680 Estimated losses on receivables.

70 *Loss on securities and other assets*

700 Loss on U.S. Government securities.
702 Loss on debt securities.
705 Loss on capital stock of SBCs.
706 Loss on equity interests of unincorporated concerns.
707 Loss on warrants, options, and other stock rights acquired from SBCs.
708 Loss on assets acquired in liquidation of portfolio securities.
709 Loss on other assets.

71 *Miscellaneous expenses*

710 Expense on assets acquired in liquidation of portfolio securities.
715 Other expenses.

72 *Income taxes*

720 Income taxes—net income.
722 Income taxes—net realized gain on investments.

MEMORANDUM RECORDS

Nominal assets

NA–10 Stock purchase warrants or options on stock of SBCs.

Contingent liabilities

CL–15 Commitments outstanding.
CL–16 Guarantees outstanding.
CL–17 Other contingent liabilities.

Options on company's stock

OCS–1 Options on company's stock.

Actual loss experience

AL–1 Actual (realized) losses.

IV. DESCRIPTION OF ACCOUNTS

ASSET AND VALUATION ACCOUNTS

100–108 Deposits in _____ _____ bank. These accounts will represent funds on demand deposit in banks which are members of the Federal Deposit Insurance Corporation.

Debit:
(a) With amount of funds deposited.
Credit:
(a) With amount of funds withdrawn, and charges made by bank for such items as dishonored checks, transfer of funds by wire, collection, exchange, etc.

110–112 Deposits in imprest account in _____ bank. These accounts will represent funds on demand deposit in imprest bank accounts to be drawn upon for the payment of operating expenses and to be reimbursed periodically through deposit therein of a check requiring dual signatures and drawn on the company's general funds bank account.

Debit:
(a) With amount of funds deposited.
Credit:
(a) With amount of funds withdrawn.

118 *Cash items in process of collection.* This account will represent the amount of cash items placed with banks for collection.

Debit:
(a) With amount of such items placed with banks for collection.
Credit:
(a) With amount of items collected.
(b) With amount of uncollected items returned or withdrawn.

120 *Petty cash fund.* This account will represent the imprest petty cash fund maintained for the purpose of making small disbursements.

Debit:
(a) With amount placed in the fund when established.
(b) With amount of increase in the fund.
Credit:
(a) With amount of decrease in the fund.

NOTE: The petty cash fund may be reimbursed and expenditures recorded as often as circumstances require, but must be reimbursed at the close of the company's fiscal year. Checks to replenish the fund will be drawn on a general fund bank account and include "petty cash" as a payee. Debits totaling the amount of this replenishment should be made concurrently to the appropriate accounts.

130 *United States Government obligations, direct and fully guaranteed.* This account will represent the cost of temporary investments made from general cash funds in direct obligations of the United States Government and obligations guaranteed as to principal and interest by the United States Government. When United States Government Savings Bonds redeemable at par value on maturity are purchased at less than face value, the increase in redemption value may be periodically charged to this account with concurrent credit to account No. 510—Interest on invested idle funds.

Debit:
(a) With cost of such securities acquired.
(b) With increase in redemption value of United States Saving Bonds.
Credit:
(a) With redemption Value of United States Savings Bonds redeemed.
(b) With cost of such securities sold or disposed of otherwise.

NOTE: Increase in value over cost of United States Treasury bills, which are issued at a discount and are noninterest bearing will not be reflected in this account but will be debited to account No. 143—Accrued interest receivable, with concurrent credit to account No. 510—Interest on invested idle funds.

(See accounts Nos. 570 and 700.)

131. *Insured savings accounts.* This account will include the balances in subaccounts Nos. 131.1, 131.2, etc.

131.1 Insured savings in_____ bank. _____
This account will represent funds invested in an insured savings account (up to the amount of the insurance) in an institution the accounts of which are insured by the Federal Savings and Loan Insurance Corporation.

Debit:
(a) With amount of funds invested.
(b) With amount of dividends earned on such invested funds.
Credit:
(a) With amount of funds withdrawn.

135–137 Time certificates of deposit in _____ bank. These accounts will represent funds in Time Certificates of Deposit, maturing not later than one year after issuance, in banks which are members of the Federal Deposit Insurance Corporation.

Debit:
(a) With amount of funds deposited.
Credit:
(a) With amont of funds withdrawn.

140 *Notes receivable.* This account will represent the unpaid balance of miscellaneous notes receivable, such as notes for management consulting services. Notes representing amounts due from debtors on sale of assets acquired in liquidation of portfolio securities will be reflected in account No. 200.

Debit:
(a) With amount of such miscellaneous notes received.
Credit:
(a) With amount collected on principal of such miscellaneous notes.
(b) With unpaid principal balance written off or disposed of otherwise.

NOTE: Recording as income of amounts entered in this account should be discontinued with respect to any small business concern which is in bankruptcy, or on the verge thereof, or otherwise considered to be insolvent. The amounts in question should be credited as deferred income in account No. 383—Other Deferred credits, pending determination of the appropriate accounting. In less serious situations, when the debtor small business concern is in default more than 6 months to the licensee, or the fair value of its debt or equity instruments held by the company, as determined by the Board of Directors, is less than cost, or recovery thereon is doubtful, an addition to the allowance for uncollectible notes and accounts receivable should be made in an amount equivalent to the receivable entered in this account, or, as an alternative, the receivable recorded as an asset should be concurrently credited as deferred income to account No. 383 as above indicated.

(See account No. 142.)

141 *Accounts receivable.* This account will represent the amount due on open account for management consulting, appraisal, and miscellaneous services rendered; and miscellaneous current receivable.

The account also will include the amount of accrued compensation receivable for services rendered to "participating" companies and the amount of accrued commitment fees receivable for making funds available on a deferred basis to small business concerns and to "initiating" companies in connection with the latter's financing of small business concerns.

Accounts receivable representing receivables due from debtors on sale of assets acquired in liquidation of portfolio securities will be reflected in account No. 200.

Debit:
(a) With amount due the company.
Credit:
(a) With amount collected.
(b) With amount written off or disposed of otherwise.

NOTE: Recording as income of amounts entered in this account should be discontinued with respect to any small business concern which is in bankruptcy, or on the verge thereof, or otherwise considered to be insolvent. The amounts in question should be credited as deferred income in account No. 383—Other deferred credits, pending determination of the appropirate accounting. In less serious situations, when the debtor small business concern, is in default more than 6 months to the licensee, or the fair value of its debt or equity instruments held by the company, as determined by the Board of Directors, is less than cost, or recovery thereon is doubtful, an addition to the allowance for uncollectable notes and accounts receivable should be made in an amount equivalent to the receivable entered in this account, or, as an alternative, the receivable recorded as an asset should be concurrently credited as deferred income to account No. 383 as above indicated.

(See account No. 142.)

142 *Allowance for uncollectible notes and accounts receivable.* This account will represent the valuation reserve provided for estimated losses on notes and accounts receivable and should be maintained in an amount not less than a conservative estimate of probable losses. This valuation reserve will be adjusted as occasion demands, so that this account will reflect the best available estimate of probable losses on notes and accounts receivable.

Debit:
(a) With amount of decreases in such reserve.
(b) With amount of notes and accounts receivable written off.
Credit:
(a) With amount of such reserve established.
(b) With amount of increases in such reserve.
(c) With amount of recoveries on notes and accounts receivable written off.

NOTE: When a note receivable or an account receivable is recorded with respect to any debtor small business is in default more than 6 months to the licensee, or the fair value of whose debt or equity instruments held by the company, as determined by the Board of Directors, is less than cost, or recovery thereon is doubtful, an addition to the allowance for uncollectible notes and accounts receivable reflected in this account should be made in an amount equivalent to

the recorded receivable, or, as an alternative, the amount of the receivable recorded as an asset should be concurrently credited as deferred income in account No. 383—Other deferred credits, pending determination of the appropriate accounting.

(See accounts Nos. 140, 141, and 680.)

143 *Accrued interest receivable.* This account will represent the amount of interest accrued on portfolio loans to and debt securities of small business concerns, United States Government obligations, direct and fully guaranteed, notes receivable, sales contracts, and other interest-bearing amounts due from debtors, including funds placed in escrow pending the closing of financing and assets acquired in liquidation of portfolio securities as well as interest accrued on other securities.

Debit:

(a) With amount of interest accrued on all items covered by this account.

Credit:

(a) With amount of interest payments received.

(b) With amount of accrued interest transferred to assets acquired in liquidation of loans and debt securities.

(c) Upon disposition of interest-bearing obligations, with amount of accrued interest thereon included in this account.

(d) With amount of accrued interest written off or disposed of otherwise.

NOTE 1: At the option of the company, interest payments received in cash from debtors prior to the interest maturity date may be credited to account No. 374—Unapplied receipts, until the maturity date.

NOTE 2: Accrual of interest receivable should be discontinued with respect to any loan or debt security financing a small business concern which is in bankruptcy, or on the verge thereof, or otherwise considered to be insolvent. Any interest payments received from such a debtor should not be treated as interest income, but should be either credited as payments on principal of the debt or credited as deferred income in account No. 383—Other deferred credits, pending determination of the appropriate accounting. In less serious situations, when interest receivable is accrued under circumstances in which the financed small business concern is in default to the licensee; or the fair value of the loan or debt security as determined in good faith by the Board of Directors is less than cost, or recovery thereon is doubtful, an addition to the allowance for uncollectible interest receivable should be made in an amount equivalent to the accrual of interest receivable, or, as an alternative, the interest income should be deferred in account No. 383 as above indicated.

(See account No. 144.)

144 *Allowance for uncollectible interest receivable.* This account will represent the valuation reserve provided for estimated losses of accrued interest receivable, and should be maintained in an amount not less than a conservative estimate of probable losses. This valuation reserve will be adjusted as occasion demands, so that this account will reflect the best available estimate of probable losses of accrued interest receivable.

Debit:

(a) With amount of decreases in such reserve.

(b) With amount of accrued interest receivable written off.

Credit:

(a) With amount of such reserve established.

(b) With amount of increases in such reserve.

(c) With amount of recoveries of accrued interest receivable written off.

NOTE: When interest receivable is accrued under circumstances in which the financed small business concern is in default over six months to the licensee, or the fair value of the loan or debt security as determined in good faith by the Board of Directors is less than cost, or recovery thereon is doubtful, an addition to the allowance for uncollectible interest receivable reflected in this account should be made in an amount equivalent to the accrual of interest receivable, or, as an alternative, the interest income should be deferred in account No. 383—Other deferred credits, pending determination of the appropriate accounting.

(See accounts Nos. 143 and 680.)

145 *Dividends receivable.* This account will represent cash dividends that have been declared on capital stock of small business concerns but have not been distributed to stockholders.

Debit:

(a) With amount due the licensee of cash dividend declared.

Credit:

(a) With amount distributed to the licensee of the dividend declared.

(See account 540.)

NOTE 1: Stock splits or dividends in stock of the same class as that owned are not recorded as dividend receivable and also income because the licensee's equity interest in the company declaring the dividend or split has not changed.

Therefore, stock splits or dividends will be measured in the appropriate investment account.

(Account 190 or 191.)

NOTE 2: Dividends in kind will be recorded as income at the fair market value of the securities received and will be recorded in account No. 211, Other securities received.

150 *Current maturities of portfolio securities.* This account will represent the principal amounts due the licensee on a cost basis of loans and debt securities of small business concerns that are reasonably expected to be collected in the normal course of business in the next 12 months of operations.

Debit:

(a) With amount due the licensee during the current year.

Credit:

(a) With amount of current maturities collected by the licensee.

(b) With amount not considered collectible on a current basis and restored to loan or debt security accounts.

(See accounts Nos. 170, 180, and 184.)

152 *Current maturities on assets acquired in liquidation of portfolio securities.* This account will represent the current principal amounts due the licensee on a cost basis of amounts due from debtors on sale of assets acquired; or the current principal amounts of their debt instruments that are classified as assets acquired in liquidation of portfolio securities.

This account will represent only those amounts reasonably expected to be collected in the normal course of business in the next 12 months of operations.

Debit:

(a) With amount due the licensee during the current year.

Credit:

(a) With amount of current maturities collected by the licensee.

(b) With amount not considered collectible on a current basis and restored to the appropriate asset acquired in liquidation of portfolio securities account.

(See accounts Nos. 200, 204, and 207.)

154 *Current maturities on other securities.* This account will represent the principal amounts due the licensee on a cost basis of debt instruments classified as "other securities" that are reasonably expected to be collected in the normal course of business in the next 12 months of operations.

Debit:

(a) With amount due the licensee during the current year.

Credit:

(a) With amount of current maturities collected by the licensee.

(b) With amount not considered collectible on a current basis and restored to other securities accounts.

(See accounts Nos. 210 and 211.)

156 *Other current assets.* This account will represent current assets not otherwise classified of the licensee that are expected to be converted to cash or expensed in the normal course of business in the next twelve months.

Debit:

(a) With amount of such asset.

Credit:

(a) With amount collected.

(b) With the proportionate amount allocated to the period as an expense.

160 *Investment in 301(d) licensee.* This account will represent the licensee's investment in capital stock of a special purpose LBIC. The account will be maintained on the equity method of accounting basis and will show licensee's investment after considering proportionate share of realized income (loss) of the 301(d) licensee's operations and dividends declared by the 301(d) licensee.

Debit:

(a) With cost of capital stock of such 301(d) licensee.

(b) With the licensee's proportionate share of the 301(d) licensees:

(1) Net investment income, and

(2) Net realized gain on sale of securities.

Credit:

(a) With the licensee's proportionate share of:

(1) Net investment loss.

(2) Net realized loss on sale of securities.

(b) With the licensee's proportionate share of cash dividends or dividends in kind at fair value.

(c) With the value on equity basis of stock in 301(d) licensee when sold.

170 *Loans.* This account will represent the unpaid principal balance of loans made to small business concerns pursuant to section 305 of the Small Business Investment Act of 1958, as amended.

Debit:

(a) With face amount of direct loans.

(b) With portion retained by company of loans in which participations are sold to others.

(c) With amount of participations in loans of others.

(d) With unpaid principal of loans represented by renewal notes accepted or notes taken in substitution for those held.

(e) With reversal of prior credits when checks received representing repayments are dishonored, etc.

Credit:

(a) With amount collected on face amount of direct loans.

(b) With company's share of amount collected on principal of loans in which participations are sold to others.

(c) With amount by which participations in loans of others are reduced by repayments transmitted by the "initiating" company.

(d) With unpaid principal of loans represented by notes renewed or for which other notes have been substituted.

(e) With amount transferred to assets acquired in liquidation of portfolio securities.

(f) With unpaid principal of loans written off or disposed of otherwise.

NOTE 1: A participation is defined as an undivided interest shared with one or more other lenders or investors in a note, debenture, certificate of stock, or other instrument evidencing a loan to, or equity financing of, a small business concern.

NOTE 2: It is assumed that in all loan participation arrangements the "initiating" company will service the loans.

NOTE 3: It is recommended that individual loan ledger cards or sheets be maintained for all loans. Such ledger cards or sheets should contain the detailed information needed for account No. 173—Unearned discount, fees, and other charges on loans.

(See accounts Nos. 171.)

171 *Depreciation of loan values.* This account will represent the downward valuation of loans and should be maintained in an amount not less than a conservative estimate of probable losses. This valuation reserve will be adjusted as occasion demands.

Debit:

(a) With amount of decreases in such reserve.

(b) With amount of such loans written off.

Credit:

(a) With amount of such reserve established.

(b) With amount of increases in such reserve.

(c) With amount of recoveries on such loans written off.

(See accounts Nos. 170 and 445.)

NOTE: Usually, this account will be subdivided into at least two accounts:

171.1 *Allowance for losses* which represents losses the licensee expects to realize on specific loans.

171.2 *Other depreciation of loan values* which represents the Board of Directors downward valuation of specific loans. However, if securities are held to maturity, no loss would be expected. An example would be money mortgage discounts.

173 *Unearned discount, fees, and other charges on loans.* This account will represent the amount of unearned discount, fees, and other charges included in the face amount of loans made to small business concerns pursuant to section 305 of the Small Business Investment Act of 1958, as amended, and which is withheld from disbursements to such small business concerns.

Debit:

(a) With amount of unearned discount, fees, and other charges included in the face amount of loans, but withheld from disbursements to debtor small business concerns, which becomes earned through collection or passage of time.

(b) With amount earned of that portion of unearned discount, fees, and other charges included in the face amount of loans, but withheld from disbursements to debtor small business concerns, which is retained by the company in connection with loans participated in by other lenders (the amount to be recorded becomes earned through collection or passage of time).

(c) With amount earned of that portion of unearned discount, fees, and other charges included in the face amount of loans, but withheld from disbursements to debtor small business concerns, which is assigned to the company in connection with its participations in loans of other lenders (the amount to be recorded becomes earned through collection or passage of time).

(d) With amount of unearned discount, fees, and other charges included in the face amount of loans, but withheld from disbursements to debtor small business concerns, which is rebated to borrowers upon early repayment of loans, or is closed into the asset account upon liquidation of loans at less than full amount.

Credit:

(a) With amount of unearned discount, fees, and other charges included in the face amount of loans but withheld from disbursements to debtor small business concerns.

(b) With portion retained by the company of total amount of unearned discount, fees, and other charges included in the face amount of loans, but withheld from disbursements to debtor small business concerns, in connection with loans participated in by other lenders.

(c) With portion assigned to the company of total amount of unearned discount, fees, and other charges included in the face amount of loans, but withheld from disbursements to debtor small business concerns, in connection with its participations in loans of other lenders.

NOTE 1: A participation is defined as an undivided interest shared with one or more other lenders or investors in a note, debenture, certificate of stock, or other instrument evidencing a loan to, or equity financing of, a small business concern.

NOTE 2: Unearned discount in this account will be transferred, as appropriate to account No. 512—Interest on loans, as it becomes earned, and unearned fees and other charges will be transferred to account No. 536—Application and appraisal fees, under similar circumstances.

NOTE 3: Any fees and other charges considered earned immediately upon closing of loans will be recorded in the income account at once without first being entered in this account.

NOTE 4: Appropriate subsidiary records should be maintained for all unearned amounts included in this account to permit identification of such amounts with the particular loans to which they relate.

180 *Debt securities, convertible, and with stock purchase warrants or options.* This account will represent the unpaid principal balance of small business concerns' debt securities, convertible, and with attached stock purchase warrants or options, acquired by the company pursuant to section 304 of the Small Business Investment Act of 1958, as amended. If the stock purchase warrants, options, or other stock rights have a separate purchase cost, or if a separate cost has otherwise been determined for them, the warrants, options, or other stock rights will be reflected at such cost in account No. 197.

Debit:

(a) With face amount of debt securities, convertible, and with stock purchase warrants or options, acquired.

(b) With portion retained by company of debt securities, convertible, and with stock purchase warrants or options, in which participations are sold to others.

(c) With amount of participations in purchases by others of debt securities, convertible, and with stock purchase warrants or options.

(d) With reversal of prior credits when checks received representing repayments are dishonored, etc.

Credit:

(a) With amount collected on face amount of debt securities, convertible, and with stock purchase warrants or options.

(b) With company's share of amount collected on principal of debt securities, convertible, and with stock purchase warrants or options, in which participations are sold to others.

(c) With amount by which participations in purchases by others of debt securities, convertible, and with stock purchase warrants or options, are reduced by repayments transmitted by the "initiating" company.

(d) With unpaid principal of debt securities, convertible, and with stock purchase warrants or options, or portions thereof, converted into capital stock.

(e) With unpaid principal of debt securities, convertible, and with stock purchase warrants or options, which have been divested of stock rights through (1) the expiration of the conversion privilege, (2) the exercise or the expiration of rights conveyed by nondetachable or detachable stock purchase warrants or options, or (3) the detachment of detachable stock purchase warrants or options.

(f) With unpaid principal of debt securities, convertible, and with stock purchase warrants or options, transferred to assets acquired in liquidation of loans and debt securities.

(g) With upaid principal of debt securities, convertible, and with stock purchase warrants or options, written off or disposed of otherwise.

NOTE 1: A participation is defined as an undivided interest shared with one or more other lenders or investors in a note, debenture, certificate of stock, or other instrument evidence a loan to, or equity financing of, a small business concern.

NOTE 2: It is assumed that in all arrangements for participation in the purchase of debt securities, convertible, and with stock purchase warrants or options, the "initiating" company will service the financing.

NOTE 3: It is recommended that individual ledger cards or sheets be maintained for all debt securities, convertible, and with stock purchase warrants or options. Such ledger cards or sheets should contain the detailed information needed for account No. 188—Unearned discount, fees, and other charges on debt securities, and for activities pertaining to participations purchases or sold.

(See accounts Nos. 184, 186, 187, 188, and memorandum record No. NA–10.)

184 *Debt securities divested of stock rights.* This account will represent the unpaid principal balance of small business concerns' debt securities which have been divested of stock rights through (1) the expiration of the conversion privilege of convertible debt securities, (2) the exercise or the expiration of rights conveyed by nondetachable or detachable stock purchase warrants or options of debt securities, or (3) the detachment of detachable stock purchase warrants or options, obtained in connection with the acquisition of debt securities pursuant to section 304 of the Small Business Investment Act of 1958, as amended.

Debit:

(a) With unpaid principal of debt securities divested of stock rights through (1) the expiration of the conversion privilege, (2) the exercise or the expiration of rights conveyed by nondetachable or detachable stock purchase warrants or options, or (3) the detachment of detachable stock purchase warrants or options.

(b) With company's retained portion of debt securities participated in by others which have been subsequently divested of stock rights.

(c) With amount of participations in purchases by others of debt securities which have been subsequently divested of stock rights.

(d) With reversal of prior credits when checks received representing repayments are dishonored, etc.

Credit:

(a) With amount collected on face amount of debt securities divested of stock rights.

(b) With company's share of amount collected on principal of debt securities participated in by others which have been subsequently divested of stock rights.

(c) With full amount by which participations in purchases by others of debt securities which have been subsequently divested of stock rights are reduced by repayments transmitted by the "initiating" company.

(d) With unpaid principal of debt securities divested of stock rights transferred to assets acquired in liquidation of loans and debt securities.

(e) With unpaid principal of debt securities divested of stock rights written off or disposed of otherwise.

NOTE: It is recommended that individual ledger cards or sheets be maintained for all debt securities which have been divested of stock rights. Such ledger cards or sheets should contain the detailed information needed for account No. 188—Unearned discount, fees, and other charges on debt securities.

(See accounts Nos. 186, 187, and 188.)

186 *Appreciation of debt securities of SBC's.* This account will represent the amount by which the licensee's Board of Directors has valued debt securities with equity features above cost of such securities.

Debit:

(a) With amount of such appreciation recognized.

(b) With amount of increases in such appreciation recognized.

Credit:

(a) With decrease in amount of such appreciation resulting from decline in fair value of securities.

(b) With amount of appreciation attributable to securities sold or otherwise disposed of.

(See account No. 440.)

NOTE: See Note 1 to account 187.

187 *Depreciation of debt securities values.* This account will represent the downward valuation of debt securities, convertible, and with stock purchase warrants or options, and debt securities, divested of stock rights and should be maintained in an amount not less than a conservative estimate of probable losses. This valuation reserve will be adjusted as occasion demands.

Debit:

(a) With amount of decreases in such reserve.

(b) With amount of reserve established in this account for debt securities which are written off, sold, or disposed of otherwise.

(c) With amount of writedown of such debt securities, not to exceed the amount of reserve established therefor in this account.

Credit:

(a) With amount of such reserve established.

(b) With amount of increases in such reserve.

NOTE 1: When debt securities of small business concerns are sold by the company or disposed of otherwise, cash or other appropriate asset account will be debited for the amount received. Account 702 will be debited for the amount of the loss, and the appropriate investment account will be credited for the related cost value carried therein. If a gain over cost is realized, such gain will be credited to account No. 572. The amount of the reserve which has been established in this account for the debt security sold or disposed of otherwise will be reversed and offset against account No. 445.

NOTE 2: Usually, this account will be subdivided into at least two accounts:

187.1 *Allowance for losses* which represents losses the licensee expects to realize on specific debt securities.

187.2 *Other depreciation of debt securities values* which represents the Board of Directors downward valuation of specific debt securities. However, if securities are held to maturity no loss would be expected. An example is money mortgage discount.

188 *Unearned discount, fees, and other charges on debt securities.* This account will represent the amount of unearned discount, fees, and other charges included in the face amount of small business concerns' debt securities acquired pursuant to section 304 of the Small Business Investment Act of 1958, as amended, and which is withheld from disbursements to such small business concerns.

Debit:

(a) With amount of unearned discount, fees, and other charges included in the face amount of debt securities, but withheld from disbursements to debtor small business concerns, which becomes earned through collection or passage of time.

(b) With amount earned of that portion of unearned discount, fees, and other charges included in the face amount of debt securities, but withheld from disbursements to debtor small business concerns, which is retained by the company in connection with purchases of debt securities participated in by other investors (the amount to be recorded becomes earned through collection or passage of time).

(c) With amount earned of that portion of unearned discount, fees, and other charges included in the face amount of debt securities, but withheld from disbursements to debtor small business concerns which is assigned to the company in connection with its participations in purchases of debt securities by other investors (the amount to be recorded becomes earned through collection or passage of time).

(d) With amount of unearned discount, fees, and other charges included in the face amount of debt securities, but withheld from disbursements to debtor small business concerns, which is rebated to borrowers upon early repayment of debt securities, or is closed into the asset account upon liquidation of debt securities at less than full amount.

Credit:

(a) With amount of unearned discount (including that equivalent to the determined cost of warrants, options, and other stock rights, as explained in Note 2 of account No. 197), fees, and other charges included in the face amount of debt securities but withheld from disbursements to debtor small business concerns.

(b) With portion retained by the company of total amount of unearned discount, fees, and other charges included in the face amount of debt securities, but withheld from disbursements to debtor small business concerns, in connection with purchases of debt securities participated in by other investors.

(c) With portion assigned to the company of total amount of unearned discount, fees, and other charges included in the face amount of debt securities, but withheld from disbursements to debtor small business concerns, in connection with its participations in purchases of debt securities by other investors.

NOTE 1: A participation is defined as an undivided interest shared with one or more other lenders or investors in a note, debenture, certificate of stock, or other instrument evidencing a loan to, or equity financing of, a small business concern.

NOTE 2: Unearned discount in this account will be transferred, as appropriate, to account No. 516—Interest on debt securities, as it becomes earned, and unearned fees and other charges will be transferred to account No. 536—Application and appraisal fees, under similar circumstances.

NOTE 3: Any fees and other charges considered earned immediately upon closing of financing through purchase of debt securities will be recorded in the income account at once without first being entered in this account.

NOTE 4: Appropriate subsidiary records should be maintained for all unearned amounts included in this account to permit identification of such amounts with the particular debt securities to which they relate.

190 *Capital stock of SBCs, convertible, and with stock purchase warrants or options.* This account will represent the value at cost of small business concerns' capital stock, convertible, and with attached stock purchase warrants or options, acquired by the company pursuant to section 304 of the Small Business Investment Act of 1958, as amended. If the stock purchase warrants, options, or other stock rights have a separate purchase cost, or if a separate cost has otherwise been determined for them, the warrants, options, or other stock rights will be reflected at such cost in account No. 197.

Debit:

(a) With cost of such capital stock of SBCs, convertible, and with stock purchase warrants or options, acquired.

(b) With portion retained by company of the capital stock of SBCs, convertible, and with stock purchase warrants or options, in which participations are sold to others.

(c) With amount of participations in acquisitions by others of capital stock of SBCs, convertible, and with stock purchase warrants or options.

Credit:

(a) With cost of such capital stock of SBCs, convertible, and with stock purchase warrants or options, which has been divested of stock purchase rights through (1) the expiration of the conversion privilege, (2) the exercise or the expiration of rights conveyed by nondetachable or detachable stock purchase warrants or options, or (3) the detachment of detachable stock purchase warrants or options.

(b) With cost of such capital stock of SBCs, convertible, and with stock purchase warrants or options, converted to another class of capital stock.

(c) With cost of such capital stock of SBCs, convertible, and with stock purchase warrants or options, written off or disposed of otherwise.

NOTE 1: A participation is defined as an undivided interest shared with one or more other lenders or investors in a note, debenture, certificate of stock, or other instrument evidencing a loan to, or equity financing of, a small business concern.

NOTE 2: It is assumed that in all arrangements for participation in the acquisition of capital stock of SBCs, convertible, and with stock purchase warrants or options, the "initiating" company will service the financing.

NOTE 3: It is recommended that individual ledger cards or sheets be maintained for all capital stock of SBCs, convertible, and with stock purchase warrants or options.

(See accounts Nos. 191, 193, and memorandum record No. NA–10.)

191 *Capital stock of SBCs—other.* This account will represent the value at cost of small business concerns' capital stock acquired by the company without conversion privileges or stock purchase warrants or options, or existing on the books as the result of (1) the expiration of the conversion privilege of convertible capital stock of SBCs, (2) the exercise or the expiration of rights conveyed by nondetachable or detachable stock purchase warrants or options, or (3) the detachment of detachable stock purchase warrants or options, obtained in connection with the acquisition of capital stock of small business concerns pursuant to section 304 of the Small Business Investment Act of 1958, as amended.

Debit:

(a) With cost of such capital stock of SBCs—other acquired through (1) purchase (2) conversion of convertible debt securities or convertible capital stock of SBCs, or (3) exercise of rights conveyed by stock purchase warrants or options issued by small business concerns in connection with their debt securities or capital stock acquired by the company.

(b) With cost of such capital stock of SBCs—other resulting from (1) the expiration of the conversion privilege of convertible capital stock of SBCs, (2) the expiration of

rights conveyed by nondetachable or detachable stock purchase warrants or options, or (3) the detachment of detachable stock purchase warrants or options, obtained in connection with the acquisition of capital stock of small business concerns.

(c) With portion retained by company of the capital stock of SBCs—other in which participations are sold to others.

(d) With amount of participations in capital stock of SBCs—other acquired by or subsequently existing on the books of others without conversion privileges or stock purchase warrants or options.

Credit:

(a) With cost of such capital stock of SBCs—other written off or disposed of otherwise.

NOTE 1: It is recommended that individual ledger cards or sheets be maintained for all capital stock of SBCs—other acquired or subsequently existing without conversion privileges or stock purchase warrants or options.

NOTE 2: In acquisitions of capital stock through exercise of rights conveyed by stock purchase warrants or options issued by small business concerns in connection with their debt securities or capital stock previously acquired by the company, the amount of the expenditure made by the company in the current acquisition of the capital stock will be considered the cost of the stock in those instances when the stock purchase rights surrendered have only a nominal value; otherwise, the cost of the stock will comprise the current expenditure plus the cost of the warrants of options surrendered.

NOTE 3: In conversions of convertible debt securities of small business concerns into capital stock, or in conversions of convertible capital stock of SBCs into another class of capital stock, the value at cost of the particular convertible security should be considered the cost of the capital stock received in the conversion.

(See accounts Nos. 190, 193, and 197.)

192 *Appreciation of capital stock of SBCs.* This account will represent the amount by which the licensee's Board of Directors has valued capital stock of SBCs above cost of such securities.

Debit:

(a) With amount of such appreciation recognized.

(b) With amount of increases in such appreciation recognized.

Credit:

(a) With decrease in amount of such appreciation resulting from decline in fair value of securities.

(b) With amount of appreciation attributable to securities sold or otherwise disposed of.

(See account No. 440.)

NOTE: See note 1 to account No. 193.

193 *Depreciation of capital stock values.* This account will represent the downward valuation of (1) capital stock of SBCs, convertible, and with stock purchase warrants or options, and (2) capital stock of SBCs—other, and should be maintained in an amount not less than a conservative estimate of probable losses. This valuation reserve will be adjusted as occasion demands.

Debit:

(a) With amount of decreases in such reserve.

(b) With amount of reserve established in this account for capital stock which is written off, sold, or disposed of otherwise.

(c) With amount of write down of such capital stock, not to exceed the amount of reserve established therefor in this account.

Credit:

(a) With amount of such reserve established.

(b) With amount of increases in such reserve.

NOTE 1: When capital stock of SBCs is sold by the company or disposed of otherwise, cash or other appropriate asset account will be debited for the amount received. Account 705 will be debited for the amount of the loss and the appropriate investment account will be credited for the related cost value carried therein. If a gain over cost is realized, such gain will be credited to account No. 574. The amount of the reserve which has been established in the account for capital stock sold or disposed of otherwise will be reversed and offset against account No. 445.

NOTE 2: Usually, this account will be subdivided into at least two accounts:

193.1 *Allowance for losses* represents losses the licensee expects to realize on specific capital sock investments.

193.2 *Other depreciation of stock values* represents the downward valuation of specific stock investments. However, the licensee's management expects the decline to be temporary and thereby suffer no less on the investment. An example is temporary market decline of public tradeable stocks that are unrestricted.

(See accounts Nos. 190, 192, and 445.)

194 *Equity interests of unincorporated concerns.* This account will represent the licensee's investment in equity type securities of a limited partnership or other type of unincorporated concern. The account will be maintained on the equity method of accounting basis and will show the licensee's investment after considering its proportionate share of realized income (loss) of the unincorporated concern as well as distributions.

Debit:

(a) With cost of equity interest acquired.

(b) With the licensee's proportionate share of the concern's net income.

Credit:

(a) With the licensee's proportionate share of net loss.

(b) With the licensee's proportionate share of cash dividends.

(c) With the value on equity basis of the licensee's investment when sold or disposed of otherwise.

(See accounts Nos. 195 and 196.)

195 *Appreciation of equity interests of unincorporated concerns.* This account will represent the amount by which the licensee's Board of Directors has valued equity interests of unincorporated concerns above the carrying value of such securities on the equity method of accounting.

Debit:

(a) With amount of such appreciation recognized.

(b) With amount of increases in such appreciation recognized.

Credit:

(a) With decrease in amount of such appreciation resulting from decline in fair value of securities.

(b) With amount of appreciation attributable to securities sold or otherwise disposed of.

NOTE: See Note 1 to account 196.

(See accounts Nos. 194, 196, and 440.)

196 *Depreciation of equity interests of unincorporated concerns.* This account will represent the amount by which the licensee's Board of Directors has valued equity interests of unincorporated concerns below the carrying value of such securities on the equity method of accounting.

Debit:

(a) With decrease in amount of such depreciation resulting from increase in fair value of such equity interests.

(b) With amount of depreciation attributable to equity interests sold or otherwise disposed of.

Credit:

(a) With amount of such depreciation recognized.

(b) With amount of increase in such depreciation recognized.

NOTE 1: When equity interests are sold by the company or disposed of otherwise, cash or other appropriate asset account will be debited for the amount received. Account 706 will be debited for the amount of the loss and the appropriate investment account will be credited for the related cost value carried therein. If a gain over cost is realized, such gain will be credited to account No. 576. The amount of the reserve which has been established in the account for equity interest sold or disposed of otherwise will be reversed and offset against account No. 445.

NOTE 2: This account will usually be the same as allowance for loss on equity interests of unincorporated concerns. Otherwise, the account should be subdivided.

(See accounts, Nos. 194, 195, and 445.)

197 *Warrants, options, and other stock rights acquired from SBCs.* This account will represent the value at purchase price or at cost as otherwise determined of warrants, options, and other stock rights acquired by the company from small business concerns pursuant to section 304 of the Small Business Investment Act of 1958, as amended. The account will include conversion rights for which a separate cost has been determined.

Detachable stock purchase warrants or options on stock of SBCs for which no consideration is given distinct from that surrendered for the debt securities or capital stock which they accompany, or for which no separate cost has been determined, will be reflected in memorandum record No. NA-10, if retained after the financing instruments which they accompanied have been disposed of.

Debit:

(a) With cost of such warrants, options, or other stock rights acquired.

(b) With portion retained by company of the warrants, options, or other stock rights in which participations are sold to others.

(c) With amount of participations in acquisitions by others of warrants, options, or other stock rights.

Credit:

(a) With cost of such warrants, options, or other stock rights surrendered in exercising the stock rights.

(b) With cost of such warrants, options, or other stock rights written off or disposed of otherwise.

(c) With cost of such warrants, options, or other stock rights for which the exercise period has expired.

NOTE 1: It is recommended that individual ledger cards or sheets be maintained for all warrants, options, or other stock rights acquired from SBCs.

NOTE 2: The cost of warrants, options, and other stock rights acquired from SBCs for a separate consideration will be charged to this account, with a credit to cash. If warrants, options, or other stock rights are acquired from SBCs without a separate consideration and a cost thereof is otherwise determined, such cost will be established in this account. (The determined cost of warrants, options, and other stock rights acquired with debt securities without a separate consideration therefor shall be arrived at giving full consideration to the grade of the debt security.) The payment for the debt security or capital stock certificate which accompanied the stock rights will be allocated between the obligation or stock and the stock rights. Cash will be credited for the determined cost of the stock rights. Cash also will be credited for the amount of the debt security or stock received less the amount withheld from disbursement in re-

lation to the debt security or stock received, which is equivalent to the determined cost of the stock rights plus (in the case of a debt security) any other withholding from net funds advanced. In the purchase of a debt security the deduction equal to the determined cost of the stock rights, plus any other withholding from net funds advanced, will be treated as unearned discount on the debt security and credited to account No. 188—Unearned discount, fees, and other charges on debt securities. In the case of a purchase of capital stock, the deduction equal to the determined cost of the stock rights will serve to reduce the cost of the stock to be recorded in account No. 190—Capital stock of SBCs, convertible, and with stock purchase warrants or options.

(See accounts Nos. 199, 577, and 707.)

198 *Appreciation of warrants, options, and other stock rights acquired from SBCs.* This account will represent the amount by which the licensee's Board of Directors has valued warrants, options and other stock rights above cost of such securities.

Debit:

(a) With amount of such appreciation recognized.

(b) With amount of increases in such appreciation recognized.

Credit:

(a) With decrease in amount of such appreciation resulting from decline in fair value of securities.

(b) With amount of appreciation attributable to securities sold or otherwise disposed of.

(See accounts Nos. 197, 199, and 440.)

NOTE: See Note 1 to account No. 199.

199 *Depreciation of warrants, options, and other stock rights acquired from SBCs.* This account will represent the Board of Directors' downward valuation of warrants, options, and other stock rights acquired from SBCs, and should represent an amount not less than a conservative estimate of probable losses. This valuation reserve will be adjusted as occasion demands.

Debit:

(a) With amount of decreases in such reserve.

(b) With amount of reserve established in this account for warrants, options, and other stock rights acquired from SBCs which are written off, sold, or disposed of otherwise (contra credit will be made to account No. 445).

(c) With amount of writedown of such warrants, options, and other stock rights acquired from SBCs, not to exceed the amount of reserve established therefor in this account.

Credit:

(a) With amount of such reserve established.

(b) With amount of increases in such reserve.

NOTE 1: When warrants, options, and other stock rights acquired from SBCs are sold by the company or disposed of otherwise, cash or other appropriate asset account will be debited for the amount received, account 707 will be debited for the amount of the loss and the appropriate investment account will be credited for the related cost value carried therein. If a gain over cost is realized, such gain will be credited to account 577. The amount of the reserve which has been established in the account for warrants, options, or other stock rights acquired, sold or disposed of otherwise will be reversed and offset against account 445.

NOTE 2: This account will usually represent the allowance for losses on warrants, options, and other stock rights. Otherwise, this account should be subdivided.

(See Accounts Nos. 197, 198, and 445.)

200 *Receivables due from debtors on sale of assets acquired in liquidation of portfolio securities.* This account will represent the unpaid balance of accounts receivable, notes receivable, sales contracts, purchase money mortgages, and similar evidences of indebtedness to the company arising from the sale of assets acquired in liquidation of portfolio securities.

Debit:

(a) With amount of such receivables.

(b) With amount of participation in amounts due from debtors on sale of assets acquired in liquidation of portfolio securities of other lenders or investors.

Credit:

(a) With amount collected on principal of such receivables.

(b) With amount transferred to account No. 207—Other assets acquired in liquidation of portfolio securities. (Noncash assets other than receivables obtained on sale of assets acquired in liquidation of portfolio securities should be reflected at cost in account No. 207).

(c) With unpaid principal balance written off or disposed of otherwise.

NOTE: It is recommended that subsidiary records be maintained in sufficient detail to disclose for report and tax purposes all transactions affecting amounts due from debtors on sale of assets acquired in liquidation of portfolio securities.

(See accounts Nos. 203, 204, and 207.)

203 *Depreciation in values of receivables from debtors on sale of assets acquired in liquidation of portfolio securities.* This account will represent the downward valuation on amounts due from debtors and securities received on sale of assets acquired in liquidation of portfolio securities, and should be maintained in an amount not less than a conservative estimate of probable losses. This valuation reserve will be adjusted as occasion demands.

Debit:

(a) With amount of decreases in such reserve.

(b) With amount due from debtors on sale of assets acquired in liquidation of portfolio securities written off.

Credit:

(a) With amount of such reserve established.

(b) With amount of increases in such reserve.

(c) With amount of recoveries on such items written off.

NOTE: Occasionally, this account will be subdivided into at least two accounts:

203.1 *Allowance for losses* which represents losses the licensee expects to realize on specific receivables from debtors.

203.2 *Other depreciation of receivables from debtors* represents the Board of Directors downward valuation of specific receivables from debtors. However, if securities are held to maturity no loss would be expected. An example is money mortgage discount.

(See accounts Nos. 200 and 445.)

204 *Operating concerns acquired.* Occasionally, a licensee takes action to protect its investment in a portfolio concern and as a result acquires a controlling interest in an operating concern. In such cases, the licensee will reclassify the aggregate amount due from the portfolio concern to this account. If the concern has ceased operations and is being liquidated, the aggregate amount due from the portfolio concern will be classified as other assets acquired in liquidation of portfolio securities (account No. 207) rather than this account.

Debit:

(a) With total amount of the licensee's investment in the operating concern at the time of the acquisition.

(b) With additional financing provided by the licensee.

Credit:

(a) With amount collected from such operating concern.

(b) With proportionate cost of interest sold or disposed of otherwise.

(c) With amounts written off.

NOTE: It is recommended that individual ledger cards or sheets be maintained for individual loans and investments by operating concerns acquired.

(See accounts Nos. 205 and 206.)

205 *Appreciation of operating concerns acquired.* This account will represent the amount by which the licensee's Board of Directors has valued securities of operating concerns acquired above cost of such securities.

Debit:

(a) With amount of such appreciation recognized.

(b) With amount of increases in such appreciation recognized.

Credit:

(a) With decrease in amount of such appreciation resulting from decline in fair value of securities.

(b) With amount of appreciation attributable to securities sold or otherwise disposed of.

(See accounts 204, 206, and 440.)

NOTE: See Note 1 to account No. 206.

206 *Depreciation of operating concerns acquired.* This account will represent the amount by which the licensee's Board of Directors has valued securities of operating concerns acquired below cost of such securities.

Debit:

(a) With decreases in amount of such depreciation resulting from increase in fair value of such equity interests.

(b) With amount of depreciation attributable to equity interests sold or otherwise disposed of.

Credit:

(a) With amount of such depreciation recognized.

(b) With amount of increase in such depreciation recognized.

NOTE 1: When investments in operating concerns are sold by the company or disposed of otherwise, cash or other appropriate asset account will be debited for the amount received. Account 708 will be debited for the amount of the loss and the appropriate investment account will be credited for the related cost value carried therein. If a gain over cost is realized, such gain will be credited to account No. 578. The amount of the reserve which has been established in the account for the investment sold or disposed of otherwise will be reversed and offset against account No. 445.

NOTE 2: Usually, this account will be subdivided into at least two accounts:

206.1 *Allowance for losses* which represents losses the licensee expects to realize on specific operating concern acquired.

206.2 *Other depreciation of values* represents the Board of Directors downward valuation of specific loans. However, if securities are held to maturity no loss would be expected. An example is money mortgage discount.

(See accounts Nos. 204, 205, and 445.)

207 *Other assets acquired in liquidation of portfolio securities.* This account will represent the company's investment in assets acquired by foreclosure, or otherwise, in liquidation of portfolio securities. Judgments, sheriffs' certificates (including prop-

erty acquired subject to redemption), etc., will be reflected in this account.

The investment in property at the date of acquisition by the company should be determined by the Board of Directors on the most suitable of the following bases: (1) Bid-in price of the property; (2) agreed consideration for the property; (3) fair appraised value of the property. Any remaining indebtedness will be written off unless the company expects further liquidation of the debt from other sources. Insofar as practicable, investment values will be determined for each individual asset, or unit, at the time such assets are recorded in this account, and when an asset is sold only an amount equal to the investment in such asset will be credited to this account.

The company's investment in mortgaged real property acquired in liquidation of portfolio securities should be recorded at gross value as determined by the Board of Directors, reduced as necessary to bring the net recorded value to no more than the outstanding principal balance of the related portfolio securities involved. The amount of the existing mortgage or mortgages on such property acquired by the company will be reflected in account No. 313. The balance of the latter account will not be treated as a liability on the Statement of Financial Position but will be deducted from the asset account.

The company's investment in judgments should be recorded at the face amount of the judgment. When the company acquires the underlying security to the related portfolio securities outright or subject to redemption, the investment in the property should be determined in accordance with the bases set forth in the second paragraph.

Debit:

(a) With amount of the company's investment in the assets at the time of the acquisition.

(b) With amount of the company's investment in the assets at the date of judgment, sheriff's certificate, etc.

(c) With amount of participation in assets acquired by others in liquidation of portfolio securities.

Credit:

(a) With proceeds of partial sale of the assets.

(b) With amount of the company's investment at date of sale, or other disposition of the assets.

(c) With amount written off.

NOTE 1: Collateral notes receivable acquired in the liquidation of portfolio securities will be reflected in this account; but notes receivable that are subsequently accepted in connection with the disposition of assets acquired in the liquidation of portfolio securities will be included in account No. 200—Receivables from debtors on sale of assets acquired in liquidation of portfolio securities.

NOTE 2: It is recommended that subsidiary records be maintained in sufficient detail to disclose for report and tax purposes all transactions affecting assets acquired in liquidation of portfolio securities.

(See accounts Nos. 170, 180, 184, 200, and 204.)

208 *Appreciation of other assets acquired in liquidation of portfolio securities.* This account will represent the amount by which the licensee's Board of Directors has valued other assets acquired above cost of such securities.

Debit:

(a) With amount of such appreciation recognized.

(b) With amount of increases in such appreciation recognized.

Credit:

(a) With decrease in amount of such appreciation resulting from decline in fair value of securities.

(b) With amount of appreciation attributable to securities sold or otherwise disposed of.

NOTE: See Note 1 to account No. 209.

(See accounts Nos. 207, 209, and 440.)

209 *Depreciation of other assets acquired in liquidation of portfolio securities.* This account will represent the downward valuation of other assets acquired in liquidation of portfolio securities, and should be maintained in an amount not less than a conservative estimate of probable loses. This valuation reserve will be adjusted as occasion demands.

Debit:

(a) With amount of decreases in such reserve.

(b) With amount of reserve established in this account for assets acquired in liquidation of portfolio securities which are written off, sold, or disposed of otherwise (contra credit will be made to account No. 445).

(c) With amount of writedown of such assets acquired in liquidation of portfolio securities, not to exceed the amount of reserve established therefor in this account.

Credit:

(a) With amount of such reserve established.

(b) With amount of increases in such reserve.

NOTE 1: When assets acquired in liquidation of portfolio securities are sold by the company or disposed of otherwise, cash or other appropriate asset account will be debited for the amount received, account 708 will be debited for the amount of the loss and account No. 209 will be credited for the related cost value carried therein. If a gain over recorded investment in the assets acquired in liquidation is realized, such gain will be credited to account No. 578. The amount of the reserve which has been established in this account for other assets acquired in liquidation of portfolio securities will be reversed and offset against account 445 when such assets are sold or disposed of otherwise.

NOTE 2: This account will usually represent the allowance for losses on other assets acquired in liquidation of portfolio securities. Otherwise, it should be subdivided.

(See accounts Nos. 200 and 445.)

210 *Notes and other securities received on sale of portfolio securities.* This account will represent the securities taken by the licensee as part of the net sales price of portfolio securities sold.

Debit:

(a) With assigned cost of such securities when acquired.

Credit:

(a) With cost of such securities when sold.

(b) With cost of such securities when written off or disposed of otherwise.

NOTE 1: It is recommended that individual ledger cards or sheets be maintained for securities received on sale of portfolio securities.

(See accounts 211, 212, and 213.)

211 *Other securities received.* This account will represent securities received by the licensee for which no funds were provided and which would not otherwise be classified as loans and investments. An example of such securities would be a dividend in kind received by licensee from a portfolio concern.

Debit:

(a) With fair value of such securities when received.

Credit:

(a) With carrying value of such securities when sold, written off or disposed of otherwise.

(See accounts 210, 212, and 213.)

212 *Appreciation of other securities.* This account will represent the amount by which the licensee's Board of Directors has valued other securities with equity features above cost of such securities.

Debit:

(a) With amount of such appreciation recognized.

(b) With amount of increases in such appreciation recognized.

Credit:

(a) With decrease in amount of such appreciation resulting from decline in fair value of securities.

(b) With amount of appreciation attributable to securities sold or otherwise disposed of.

NOTE: See Note 1 to account No. 213.

(See accounts 210, 211, 213, and 440.)

213 *Depreciation of other securities.* This account will represent the amount by which the licensee's Board of Directors has valued other securities below the carrying value of such securities.

Debit:

(a) With decreases in amount of such depreciation resulting from increase in fair value of such securities.

(b) With amount of depreciation attributable to other securities sold or otherwise disposed of.

Credit:

(a) With amount of such depreciation recognized.

(b) With amount of increase in such depreciation recognized.

NOTE 1: When other securities are sold by the company or disposed of otherwise, cash or other appropriate asset account will be debited for the amount received. Account 709 will be debited for the amount of the loss and the appropriate investment account will be credited for the related cost value carried therein. If a gain over cost is realized, such gain will be credited to account No. 579. The amount of the reserve which has been established in the account for securities sold or disposed of otherwise will be reversed and offset against account No. 445.

NOTE 2: Frequently, this account will be subdivided into at least two accounts:

213.1 *Allowance for losses* represents losses the licensee expects to realize on specific other securities.

213.2 *Other depreciation of values* represents the Board of Directors downward valuation of specific securities. However, if securities are held to maturity, no loss would be expected. An example is money mortgage discount. Another example would be temporary market decline of marketable securities.

(See accounts Nos. 210, 211, 212, and 445.)

220 *Prepaid expenses.* This account will represent the unexpired or unconsumed portion of expenses expressly applicable to future periods for which no specific accounts have been provided. Such expenses should be amortized over the appropriate period. An example of such prepaid expense is debt discount and expense that may result from obtaining leverage funds.

Debit:

(a) With amount of prepaid expenses.

Credit:

(a) With the proportional amount of such expenses applicable to the period.

NOTE: Subsidiary records should be maintained to identify the items reflected in this account and to facilitate their amortization.

221 *Deferred charge.* Timing differences will exist between accounting income and taxable income and thereby may cause a prepayment of taxes which is considered to be a deferred charge to future income tax expense. The prepayment is based on accounting income and primarily will result from provision for loss on stock of SBCs. This ac-

count will represent such deferred charges recognized.

Debit:

(a) Such account for amounts when prepaid.

Credit:

(a) Such account for amounts that have been previously prepaid that are being applied during the period.

(See account No. 380.)

230 *Furniture and equipment.* This account will represent the cost of furniture, fixtures, and equipment, including automobiles, owned by the company. The cost of freight, drayage, cartage, express, etc., in connection with the purchase of such items of furniture and equipment, will be included in this account.

Debit:

(a) With cost of such assets purchased.

Credit:

(a) With cost of such assets at the time of sale or other disposition.

NOTE: An inventory record should be maintained for all such assets and each item should be tagged or numbered to facilitate ready identification.

(See account No. 231.)

231 *Accumulated depreciation on furniture and equipment.* This account will represent the valuation reserve provided for depreciation of furniture, fixtures, and equipment, including automobiles, owned by the company. This account should be maintained in an amount not less than a conservative estimate of the expired service life of such assets while owned by the company.

Debit:

(a) With amount of depreciation accumulated, when such an asset is sold or disposed of otherwise.

Credit:

(a) With the amount necessary to depreciate the cost of such assets over the estimated service life.

(See accounts Nos. 230 and 655.)

240 *Corporate premises owned.* This account will represent the actual cost of acquisition of the land and building used as the company's office quarters. The account also will include the actual cost of any improvements, such as street, sidewalk and other benefits, applicable to the land, and any improvements applicable to the building.

Debit:

(a) With actual cost of acquisition of the land and building.

(b) With actual cost of any improvement to the land and/or building.

Credit:

(a) With the acquisition cost of the land and/or building, plus the cost of improvements made thereto, when the land and/or building is sold or disposed of otherwise.

(See account No. 241.)

241 *Accumulated depreciation on corporate premises owned.* This account will represent the valuation reserve provided for depreciation of the building and other depreciable improvements of corporate premises owned and used as the company's office quarters. This account should be maintained in an amount not less than a conservative estimate of the expired service life of such building and improvements while owned by the company.

Debit:

(a) With amount of depreciation accumulated, when such an asset is sold or disposed of otherwise.

Credit:

(a) With the amount necessary to depreciate the cost of such assets over the estimated service life.

(See accounts Nos. 240 and 655.)

242 *Leasehold improvements.* This account will represent the actual cost of improvements to leased property used as the company's office quarters. The amount of this account will be amortized through account No. 656 over the life of the lease or the life of the improvements, whichever is the shorter.

Debit:

(a) With actual cost of improvements to leasehold.

Credit:

(a) With the amount necessary to amortize the cost of leasehold improvements.

255 *Amounts due from directors, officers, and employees.* This account will represent the unpaid balance of amounts advanced to directors, officers, and employees.

Debit:

(a) With amount of such advances made.

Credit:

(a) With amount collected on such advances.

(b) With amount transferred to appropriate expense classification upon proper authorization.

(c) With amount written off or disposed of otherwise.

(See account No. 709.)

256 *Organization costs.* This account will represent the amount of legal fees, promotional expense, stock certificate costs, incorporation fees, taxes, and other related costs incurred in organizing the company.

Debit:

(a) With amount of such costs incurred.

Credit:

(a) With the amount necessary to amortize the organization costs.

(See account No. 672.)

257 *Funds in escrow.* This account will represent the amount of funds placed in escrow pending the closing of financing for small business concerns.

Debit:

(a) With amount of funds placed in escrow.

Credit:

(a) With amount of funds withdrawn from escrow.

259 *Other assets.* This account will represent the amount of assets of the company, at cost, not specifically provided for in other accounts, including recoverable amounts advanced for the protection and preservation of the company's investments (such as the payment of taxes on mortgaged property), but not including short-term loans or debt securities issued to protect the company's interests in previously issued long-term loans or equity securities.

Debit:

(a) With amount of the company's investment in such assets.

Credit:

(a) With amount of such assets sold or disposed of otherwise.

(See account No. 709.)

LIABILITY ACCOUNTS

300 *Notes payable to SBA.* This account will represent the long-term principal balance of notes payable (1) for funds borrowed and received directly from the Small Business Administration and (2) for funds borrowed from others through guaranteed loans which subsequently have been purchased by the Small Business Administration.

Debit:

(a) With amount of principal payments made on such notes.

(b) With amount of principal transferred to current maturities.

Credit:

(a) With amount of funds borrowed.

(b) With unpaid principal balance of guaranteed loans purchased by SBA (contra debit will be made to account No. 310).

(See account 330.)

301 *Debentures payable issued to SBA.* This account will represent the long-term principal balance of funds received by the company under its debentures payable issued to the Small Business Administration for funds borrowed.

Debit:

(a) With amount of principal payments made to SBA on such debentures.

(b) With amount of principal transferred to current maturities.

Credit:

(a) With amount of funds received from SBA under such debentures.

(See account 330.)

310 *Notes payable to other than SBA—guaranteed by SBA.* This account will represent the long-term principal balance of notes payable for funds borrowed from other than the Small Business Administration and guaranteed by the Small Business Administration.

Debit:

(a) With amount of principal payments made on such notes.

(b) With unpaid principal balance of guaranteed loans purchased by SBA (contra credit will be made to account No. 300).

(c) With amount of principal transferred to current maturities.

Credit:

(a) With amount of funds borrowed.

(See account 330.)

311 *Notes payable to other than SBA—not guaranteed by SBA.* This account will represent the long-term principal balance of notes payable for funds borrowed from other than the Small Business Administration and not guaranteed by the Small Business Administration.

Debit:

(a) With amount of principal payments made on such notes.

(b) With amount of principal transferred to current maturities.

Credit:

(a) With amount of funds borrowed.

(See account 331.)

312 *Mortages payable for funds borrowed.* This account will represent the long-term principal balance of mortgages payable for funds borrowed on corporate premises or other real estate owned by the company. Purchase money mortgages, conditional sales contracts, or similar documentary evidence of indebtedness given by the company in the acquisition of real property will be included in this account.

Debit:

(a) With amount of principal payments made on such indebtedness.

(b) With amount of principal transferred to current maturities.

Credit:

(a) With amount of funds borrowed.

(See account 331.)

313 *Mortgages payable on assets acquired in liquidation of portfolio securities.* This account will represent the unpaid principal balance of existing mortgages payable on assets acquired by the company in liquidation of portfolio securities.

Debit:

(a) With amount of principal payments made on such indebtedness.

Credit:

(a) With amount of such indebtedness.

(See account No. 207.)

320 *Notes payable—other.* This account will represent the unpaid principal balance of notes payable in evidence of amounts owed by the company other than for funds borrowed. Notes payable, conditional sales contracts, and liens for the acquisition of furniture, fixtures, equipment, and automobiles will be included in this account.

Debit:

(a) With amount of principal payments made on such notes.

Credit:

(a) With amount of unpaid principal of such notes executed.

330 *Current maturities of notes and debentures payable to or guaranteed by SBA.* This account will represent the principal amount due on a current basis (payable by the licensee in the next 12 months of operations) of long-term debt shown in accounts 300, 301 and 310.

Debit:

(a) With amounts paid by the licensee or disposed of otherwise.

Credit:

(a) With amounts that become due by the licensee on a current basis.

(See accounts Nos. 300, 301, 310.)

331 *Current maturities of notes and debentures payable to others not guaranteed by SBA.* This account will represent the principal amount due on a current basis (payable by the licensee in the next 12 months of operations) of long-term debt shown in accounts 311 through 313.

Debit:

(a) With amounts paid by the licensee or disposed of otherwise.

Credit:

(a) With amounts that become due by the licensee on a current basis.

(See accounts Nos. 311 through 313.)

340 *Accounts payable.* This account will represent amounts payable on open account. The account also will include accrued compensation payable for services rendered to the company on its participations in financing transactions, and accrued commitment fees payable for having funds made available on a deferred basis by "participating" companies in connection with the financing of, or commitments to finance, small business concerns.

Debit:

(a) With amount of such indebtedness paid, or disposed of otherwise.

Credit:

(a) With amount of such indebtedness incurred.

NOTE 1: A participation is defined as an undivided interest shared with one or more other lenders or investors in a note, debenture, certificate of stock, or other instrument evidencing a loan to, or equity financing of, a small business concern.

NOTE 2: A deferred participation is defined as a commitment under a participation agreement whereby the "participating" company will make funds available on a deferred basis to the "initiating" company in connection with the latter's financing of, or commitment to finance, a small business concern, or in connection with an "initiating" small business investment company's acquisition of loans or equity securities from other such companies.

(See accounts Nos. 141, 600, and 715.)

350 *Accrued interest payable.* This account will represent the amount of liability for interest accrued on the company's notes, mortgages and debentures payable. The account will also include accrued interest payable on other interest-bearing obligations of the company.

Debit:

(a) With amount of such interest paid or disposed of otherwise.

Credit:

(a) With amount of interest accrued on all interest-bearing obligations covered by this account.

351 *Accrued taxes.* This account will represent the balance of accrued taxes on payroll, such as the company's portion of social security taxes, which have not been remitted to the appropiate collectors of such taxes.

Debit:

(a) With amount of such taxes paid.

Credit:

(a) With amount of such taxes accrued.

(See account No. 664.)

354 *Estimated income taxes accrued.* This account will include the balances in subaccounts Nos. 354.1, 354.2, 354.3, etc.

354.1 *Estimated Federal income taxes accrued.* This account will represent the balance of estimated Federal income taxes accrued which have not been remitted to the Internal Revenue Service.

Debit:

(a) With amount of such taxes paid.

Credit:

(a) With amount of such taxes accrued.

(See subaccounts Nos. 720.1 and 722.1.)

354.2 *Estimated State income taxes accrued.* This account will represent the balance of estimated State income taxes accrued which have not been remitted to the appropriate collector of such taxes.

Debit:

(a) With amount of such taxes paid.

Credit:

(a) With amount of such taxes accrued.

(See subaccounts Nos. 720.2 and 722.2.)

358 *Other current liabilities.* This account will represent other current liabilities not provided for in other accounts.

Debit:

(a) With amount of such expenses paid or disposed of otherwise.

Credit:

(a) With amount of such expenses accrued.

NOTE: Increases or decreases in the liability for accrued expenses, through accruals or adjustments, will be offset by increases or decreases, respectively, in the appropriate expense accounts.

360–364 *Dividends payable on* _____ (type) _____ *capital stock.* These accounts (and class

will represent the company's liability for dividends declared by the company's Board of Directors on the respective types and classes of capital stock issued and outstanding. A separate account should be used to reflect the dividends payable for each type and class of capital stock outstanding.

Debit:

(a) With amount of such dividends paid.

Credit:

(a) With amount of such dividends declared payable by the company's Board of Directors.

370 *Employee taxes withheld.* This account will represent the amount of income and social security taxes withheld from employees' salaries which have not been remitted to the appropriate collectors of such taxes.

Debit:

(a) With amount of such taxes remitted.

Credit:

(a) With amount of such taxes withheld.

374 *Unapplied receipts.* This account will represent the amount of funds received by the company which have not been applied to loans, debt securities, interest receivable, etc. This account will be used only in instances when the funds received cannot be applied promptly.

Debit:

(a) With amount of such funds applied or disposed of otherwise.

Credit:

(a) With amount of funds received which cannot be applied promptly.

378 *Miscellaneous trust receipts.* This account will represent the liability of the company for funds withheld or received in trust, for which no specific account is provided, including earnest money deposits, and funds withheld from employees' salaries for the purchase of United States Savings Bonds, payment of group life insurance premiums, payments of pension fund contributions, etc. The account will also include amounts due other companies that are participants in financing where the licensee is the sponsor and is servicing the debt.

Debit:

(a) With amount of such funds disbursed or disposed of otherwise.

Credit:

(a) With amount of such funds withheld or received.

380 *Deferred credit to future taxes.* Timing differences will exist between accounting income and taxable income and thereby cause a deferment of tax expense. Such deferred credits usually will result from provision for loss on loans and debt securities. This account will represent such deferred tax payments.

Debit:

(a) Such account with amount of taxes paid had been previously deferred.

Credit:

(a) Such account with amount of tax payments when deferred.

(See account No. 221.)

383 *Other deferred credits.* This account will represent the amount of deferred credits of the company not specifically provided for in other accounts.

The account will include any gain on sale of assets which does not qualify as realized gain.

Debit:

(a) With amount of such deferred credits transferred to income or gain, or disposed of otherwise.

Credit:

(a) With amount of such deferred credits established.

NOTE 1: Accrual of interest receivable should be discontinued with respect to any loan or debt security financing a small business concern which is in bankruptcy, or on the verge thereof, or otherwise considered to be insolvent. Any interest payments received from such a debtor should not be treated as interest income, but should be either credited as payments on principal of the debt or credited as deferred income in this account, pending determination of the appropriate accounting. In less serious situations, when interest receivable is accrued under circumstances in which the financed small business concern is in default to licensee over 6 months, or the fair value of the loan or debt security as determined in good faith by the Board of Directors is less than cost, or recovery thereon is doubtful, an addition to the allowance for uncollectible interest receivable should be made in an amount equivalent to the accrual of interest receivable, or, as an alternative, the interest income should be deferred in this account as above indicated.

NOTE 2: Deferred gain in this account will be transferred to appropriate gain accounts as it is realized.

390 *Other liabilities.* This account will represent the amount of liabilities of the company not specifically provided for in other accounts.

Debit:

(a) With amount of such liabilities paid or disposed of otherwise.

Credit:

(a) With amount of such liabilities incurred.

CAPITAL ACCOUNTS

400–404 _____ capital

(Type and class)

stock authorized. These accounts will represent the total par or stated value of the capital stock authorized, as provided for in the company's charter. A separate account should be provided for each type and class of capital stock authorized.

Debit:

(a) With amount of reductions of such capital stock authorized.

Credit:

(a) With original amount of such capital stock authorized.

(b) With additional amounts of such capital stock authorized.

(See accounts Nos. 405–409 and "Note" of accounts Nos. 415–419.)

405–409 _____ unissued capital stock. These accounts will represent the total par or stated value of unissued capital stock of the company. A separate account should be provided for each type and class of unissued capital stock.

(Type and class)

Debit:

(a) With original amount of such unissued capital stock, as provided for in the company's charter.

(b) With additional amounts of such unissued capital stock authorized.

(c) With par or stated value of capital stock retired.

Credit:

(a) With amount of such capital stock issued (contra debit will be made to accounts Nos. 410–411).

(b) With amount of reductions of capital stock authorized.

(See accounts Nos. 400–404 and "Note" of accounts Nos. 415–419.)

410–411 _____ capital stock subscribed. These accounts will represent the total amount at the subscription price of the company's capital stock subscribed. A separate account should be provided for each type and class of capital stock subscribed. These accounts will reflect the company's responsibility to issue shares of its stock to subscribers who have made final payment of their capital stock subscriptions.

Type and class

Debit:

(a) With amount at the subscription price of such subscribed capital stock issued (contra credits will be made to accounts Nos. 405–409 and, as appropriate, No. 420).

(b) With amount at the subscription price of such subscribed capital stock canceled or disposed of otherwise.

Credit:

(a) With amount at the subscription price of such capital stock subscribed.

(See accounts Nos. 413–414 and "Note" of accounts Nos. 415–419.)

413–414 Capital stock subscriptions receivable _____. These accounts will represent the total unpaid balances of capital stock subscriptions receivable from subscribers of the company's authorized capital stock. A separate subscriptions receivable account should be provided for each type and class of capital stock subscribed.

(Type and class)

Debit:

(a) With amount of such capital stock subscriptions received.

Credit:

(a) With amount collected on such capital stock subscriptions.

(b) With amount of such capital stock subscriptions canceled or disposed of otherwise.

(See accounts Nos. 410–411 and "Note" of accounts Nos. 415–419.)

415–419 Treasury Stock _____. These accounts will represent the total amount of the company's issued capital stock which has been reacquired through purchase or donation and has not been retired. A separate account should be provided for each type and class of such capital stock held by the company.

(type and class)

Debit:

(a) With cost of such capital stock acquired through purchase.

(b) With amount of fair market value or par value of such capital stock acquired through donation (contra credit will be made to account No. 420).

Credit:

(a) With cost of such capital stock acquired through purchase, when sold or disposed of otherwise.

(b) With amount of fair market value or par value of such capital stock acquired through donation, when sold or disposed of otherwise.

NOTE: Appropriate subsidiary records should be maintained as deemed necessary.

420 *Paid-in surplus.* This account will represent the amount of surplus arising from (1) sales initially of the company's capital stock at a price in excess of par value (including amounts transferred from capital stock subscribed at a price above par, when shares are issued); (2) donations to the company of its issued capital stock carried as treasury stock at fair market value or par value; (3) retirements of capital stock purchased at less than the par value thereof; (4) sales of treasury stock in excess of its carrying value on the books of the company; (5) donations or gifts to the company of assets carried at not in excess of fair market value; and (6) other equity transactions with stockholders.

Debit:

(a) With amount of loss on treasury stock sold which was acquired through purchase, but not to exceed the total of credits residing in this account relating to previous gains on treasury stock sold or retirement of capital stock at amounts less than the amounts previously paid in with respect thereto (any amount of loss in excess of the total of such credits will be charged to account No. 451).

(b) With amount received by the company below fair market value, or par value, whichever applicable, for treasury stock sold which was acquired through donation.

(c) With amount paid by the company in excess of par value, but not to exceed the premium received initially, for shares of capital stock retired (any amount paid in excess of par plus initial premium received will be charged to account No. 451).

Credit:

(a) With amount paid in (including stock dividends from undistributed earnings), or transferred from capital stock subscribed, representing the excess after deduction of underwriters' fees and commissions) over par value of the company's capital stock, when shares are issued.

(b) With amount of fair value or par value of the company's capital stock acquired through donation.

(c) With amount of discount below par value of the company's capital stock acquired through purchases, when such stock is retired.

(d) With amount received by the company in excess of cost, or in excess of fair value or par value, whichever applicable, for treasury stock sold.

(e) With amount not to exceed fair market value of donations or gifts of assets to the company.

430 *3 percent cumulative preferred stock (issued to SBA).* This account will be used by 301(d) licensees only and will represent the preferred stock sold to the Small Business Administration at its par value by the licensee. Such stock is not included in capital stock accounts Nos. 400–414 because such stock is not considered private capital for leverage or regulatory purposes.

Debit:

(a) Such account with the par value of prepared stock repurchased by the licensee.

Credit:

(a) Such account with the par value of preferred stock sold to SBA by the licensee.

440 *Unrealized appreciation on loans and investments.* This is a credit balance account and will represent the amount by which the licensee's Board of Directors has valued loans and investments above cost of such securities.

Debit:

(a) With decrease in amount of appreciation resulting from decline in fair value of securities held.

(b) With amount of appreciation attributable to securities sold or disposed of otherwise.

Credit:

(a) With amount of such appreciation recognized.

(b) With amount of increase in such appreciation recognized.

(See accounts Nos. 186, 192, 195, 198, 205, and 208.)

445 *Unrealized depreciation on loans and investments.* This is a debit balance account and will represent the amount by which the licensee's Board of Directors has valued loans and investments below cost of such securities.

Debit:

(a) With amount of "depreciation" of loans and investments recognized.

(b) With amount of increase in such depreciation recognized.

Credit:

(a) With decrease in the amount of depreciation resulting from increase in fair value of securities held.

(b) With amount of depreciation attributable to securities sold or disposed of otherwise.

(See accounts Nos. 171, 187, 193, 196, 199, 203, 206, and 209.)

448 *Estimated taxes on net unrealized gain (loss) on securities held.* This is a debit balance account that will represent the provision for income taxes on net unrealized appreciation (amount by which the Board of Directors valuation of all securities exceeds cost). As the valuation of securities changes, the provision for taxes will change.

Debit:

(a) With provisions for taxes established on net unrealized gain.

(b) With increases in provision for taxes.

Credit:

(a) With established provision for taxes attributable to securities sold or disposed of otherwise.

(b) With decrease in provision established.

NOTE: Should the net amount (unrealized appreciation less unrealized depreciation) be a negative figure (i.e., a net loss) the tax effect should be computed and reflected in the accounts.

(See accounts Nos. 221 and 380.)

450 *Non-cash gains on sale of securities.* This is a credit balance account and represents gains realized on sale of securities that have not been converted to cash. While considered to be undistributed earnings, amounts in this account will not be available for distribution or capitalized by corporate action. Therefore, such amounts are considered restricted undistributed earnings realized.

Debit:

(a) With amount of cash collected of such non-cash gains previously recognized.

(b) With amount of non-cash gains written off or disposed of otherwise.

Credit:

(a) With amounts of non-cash gain when the securities generating such gain are sold.

NOTE: It is recommended that individual records be maintained for each non-cash gain realized.

(See accounts Nos. 462, 210, 579, and 709).

451 *Undistributed net realized earnings.* This is a credit balance account and represents the cumulative balance of periodic net investment income including realized gain (loss) on securities sold, less dividend distributions whether cash, stock or dividends in kind. Non-cash gains on sale of securities are included in account No. 450.

Debit:

(a) At the end of the fiscal year, with any debit balance in account No. 460 reflected in the profit and loss summary account, and/or the realized gain and loss summary account, No. 461.

(b) With amount of dividends, other than stock dividends, declared payable out of undistributed net realized earnings by the company's Board of Directors.

(c) With amount of stock dividends, at a per share value representing the higher of fair value existing at the time that the dividend is declared, which are declared by the company's Board of Directors and paid out of undistributed net realized earnings.

(d) With appropriate amount of loss on treasury stock sold which was acquired through purchase, representing the excess of such loss over the total of credits residing in paid-in surplus, account No. 420, relating to previous gains on treasury stock sold or retirement of capital stock at amounts less than the amounts previously paid in with respect thereto.

(e) With appropriate amount paid by the company in excess of par plus initial premium received on the type and class of shares of capital stock retired.

Credit:

(a) At the end of the fiscal year, with the credit balances of the profit and loss summary account, No. 460 and the realized gain and loss summary account, No. 461.

(See accounts Nos. 450, 460, 461, and 462.)

460 *Profit and loss summary.* This account will be used as a clearing account through which all income and expense accounts on the books of the company will be closed.

Debit:

(a) At the end of the fiscal year, with the debit balances of all expense and income accounts.

(b) At the end of the fiscal year, with the credit balance of the account (transfer to undistributed net realized earnings—account No. 451).

Credit:

(a) At the end of the fiscal year, with the credit balances of all income and expense accounts.

(b) At the end of the fiscal year, with the debit balance of the account (transfer to undistributed net realized earnings—account No. 451).

(See account No. 451.)

461 *Realized gain and loss summary—in cash.* This account will be used as a clearing account through which all accounts for realized gains and losses on investments on the books of the company will be closed.

Debit:

(a) At the end of the fiscal year, with the balances of all accounts for losses on investments.

(b) At the end of the fiscal year, with the credit balance of the account (transfer to retained earnings).

Credit:

(a) At the end of the fiscal year, with the balances of all accounts for gains on investments.

(b) At the end of the fiscal year, with the debit balance of the account (transfer to retained earnings).

(See account No. 451.)

462 *Non-cash realized gain summary.* This account will be used as a clearing account through which all accounts for non-cash realized gains on investments on the books of the company will be closed.

Debit:

(a) At the end of the fiscal year, with the credit balance of the account (transfer to non-cash gains on sale of securities)—account No. 450.

Credit:

(a) At the end of the fiscal year, with the amounts of non-cash gains on investments sold during the period and recognized in accounts 572 through 579.

(See accounts Nos. 450 and 461.)

INCOME ACCOUNTS

500 *Commitment income.* This account will represent the amount of income earned on commitments to small business concerns for loans and equity securities. This account, on the books of the "participating" company, will include the amount of commitment income on deferred participations.

Debit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

Credit:

(a) With amount of income earned on commitments and deferred participations.

NOTE 1: A deferred participation is defined as a commitment under a participation agreement whereby the "participating" company will make funds available on a deferred basis to the "initiating" company in connection with the latter's financing of, or commitment to finance, a small business concern, or in connection with an "initiating" small business investment company's acquisition of loans or equity securities from other such companies.

NOTE 2: Recording as income in this account of accrued commitment fees receivable should be discontinued with respect to any small business concern which is in bankruptcy, or on the verge thereof, or otherwise considered to be insolvent. The amounts in question should be credited as deferred income in account No. 382—Other deferred credits, pending determination of the appropriate accounting. In less serious situations, when the small business concern or the fair value of its debt or equity instrument held by the company, as determined by the Board of Directors, is less than cost, or recovery thereon is doubtful, an addition to the allowance for uncollectible notes and accounts receivable should be made in an amount equivalent to the accrued commitment fees taken into income in this account, or, as an alternative, the commitment income should be deferred in account No. 383 as above indicated.

(See accounts Nos. 141 and 142.)

510 *Interest on invested idle funds.* This account will represent the amount of interest earned on (1) time certificates of deposit in banks which are members of the Federal Deposit Insurance Corporation, (2) U.S. Government obligations, direct and fully guaranteed, owned by the company, and (3) funds of the company in insured savings accounts in institutions the accounts of which are insured by the Federal Savings and Loan Insurance Corporation.

Debit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

Credit:

(a) With amount of interest earned on invested idle funds.

(See accounts Nos. 130 through 137, 143, and 144.)

512 *Interest on loans.* This account will represent the amount of interest earned on loans to small business concerns.

Debit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

Credit:

(a) With amount of interest earned on loans outstanding to small business concerns.

NOTE: Accrual of interest receivable should be discontinued with respect to any loan to a small business concern which is in bankruptcy, or on the verge thereof, or otherwise considered to be insolvent. Any interest payments received from such a debtor should not be credited to this account as interest income, but should be either credited as payments on principal of the debt or credited as deferred income in account No. 383—Other deferred credits, pending determination of the appropriate accounting. In less serious situations, when interest receivable is accrued under circumstances in which the financed small business concern is in default to the licensee, or the fair value of the loan as determined in good faith by the Board of Directors is less than cost or recovery thereon is doubtful, an addition to the allowance for uncollectible interest receivable should be made in an amount equivalent to the accrued interest receivable taken into income in this account, or, as an alternative, the interest income should be deferred in account No. 383 as above indicated.

(See accounts Nos. 143, 144, 170, and 173.)

516 *Interest on debt securities.* This account will represent the amount of interest earned on debt securities of small business concerns owned by the company pursuant to section 304 of the Small Business Investment Act of 1958, as amended.

Debit:

(a) At the end of the fiscal year with the balance of account (transfer to profit and loss summary).

Credit:

(a) With amount of interest earned on debt securities owned.

NOTE: Accrual of interest receivable should be discontinued with respect to any debt security of a small business concern which is in bankruptcy, or on the verge thereof, or otherwise considered to be insolvent. Any interest payments received from such a debtor should not be credited to this account as interest income, but should be either credited as payments on principal of the debt or credited as deferred income in account No. 383—Other deferred credits, pending determination of the appropriate accounting. In less serious situations, when interest receivable is accrued under circumstances in which the financed small business concern is in default to the licensee, or the fair value of the debt security as determined in good faith by the Board of Directors is less than cost, or recovery thereon is doubtful, an addition to the allowance for uncollectible interest receivable should be made in an amount equivalent to the accrued interest receivable taken into income in this account, or, as an alternative, the interest income should be deferred in account No. 383 as above indicated.

(See accounts Nos. 143, 144, 180, 184, and 188.)

520 *Interest income—other.* This account will represent the amount of interest earned on miscellaneous notes receivable, funds in escrow, and interest-bearing receivables not otherwise classified.

Debit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

Credit:

(a) With amount of interest earned on such receivables.

(See accounts Nos. 140, 143, and 257.)

532 *Management service fees.* This account will represent the amount of fees charged for management services rendered to small business concerns and other small business investment companies pursuant to section 107.601 of the Small Business Administration Rules and Regulations.

Debit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

Credit:

(a) With amount of such fees charged.

NOTE: Recording as income in this account of accrued management service fees receivable should be discontinued with respect to any small business concern which is in bankruptcy, or on the verge thereof, or otherwise considered to be insolvent. The amounts in question should be credited as deferred income in account No. 383—Other deferred credits, pending determination of the appropriate accounting. In less serious situations, when the fair value of the financed concern's debt or equity instruments held by the company, as determined by the Board of Directors, is less than cost, or recovery thereon is doubtful, an addition to the allowance for uncollectible notes and accounts receivable should be made in an amount equivalent to the accrued management consulting service fees taken into income in this account, or, as an alternative, the management consulting service income should be deferred in account No. 383 as above indicated.

(See accounts Nos. 140, 141, and 142.)

534 *Investigation and service fees charged other lenders.* This account will represent the amount of fees charged for investigation and services rendered to banks or other lenders or investors, pursuant to section 308(a) of the Small Business Investment Act of 1958, as amended. The account will include compensation for financial services rendered in connection with participation sold.

Debit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

Credit:

(a) With amount of such fees charged.

(See accounts Nos. 140, 141, and 142.)

536 *Application and appraisal fees.* This account will represent the amount of fees charged for application, appraisal, investigation, and related services rendered to small business concerns.

Debit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

Credit:

(a) With amount of such fees charged.

(See accounts Nos. 173 and 188 and "Note" of accounts Nos. 140, 141, and 532.)

540 *Dividends on capital stock of SBCs.* This account will represent the amount of income from dividends on capital stock of small business concerns.

Debit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

Credit:

(a) With amount of income from such dividends.

(See account No. 145.)

541 *Sharings in income or revenue of SBCs.* This account will represent the amount of sharings or participations in the income or revenue of small business concerns which the company has financed by means of loans or debt securities, as well as income from equity interest in unincorporated concerns.

Debit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

Credit:

(a) With amount of such sharings.

(See accounts Nos. 140, 141, and 145.)

570 *Gain on U.S. Government securities.* This account will represent the amount of gain on the sale or other disposition of U.S. Government obligations, direct and fully guaranteed, carried in account No. 130

Debit:

(a) At the end of the fiscal year, with the balance of account (transfer to account 461 or 462).

Credit:

(a) With amount of gain on such securities sold or disposed of otherwise.

NOTE: Increase in value over cost of United States Treasury bills, which are issued at a discount and are noninterest bearing, will not be reflected in this account but will be credited to account No. 510—Interest on invested idle funds, with concurrent debit to account No. 143—Accrued interest receivable.

572 *Gain on debt securities.* This account will represent the amount of gain on the sale or other disposition of debt securities of small business concerns carried in accounts Nos. 180 and 184, and will include recoveries on debt security losses previously charged to the loss account.

Debit:

(a) At the end of the fiscal year, with the balance of account (transfer to account 461 or 462).

Credit:

(a) With amount of gain on such debt securities sold or disposed of otherwise.

(b) With amount collected on portions of debt securities previously charged to the loss account.

(See accounts Nos. 383 and 702.)

574 *Gain on capital stock of SBCs.* This account will represent the amount of gain on the sale or other disposition of capital stock of small business concerns carried in accounts Nos. 190 and 191, and will include recoveries on capital stock losses previously charged to the loss account.

Debit:

(a) At the end of the fiscal year, with the balance of account (transfer to account 461 or 462).

Credit:

(a) With amount of gain on such capital stock sold or disposed of otherwise.

(b) With amount realized on capital stock of SBCs previously charged to the loss account.

(See accounts Nos. 383 and 705.)

576 *Gain on equity interests of unincorporated concerns.* This account will represent the amount of gain on the sale or other disposition of equity interests of unincorporated concerns carried in account 194 and will include recoveries of losses on equity interests of unincorporated concerns previously charged to the loss account.

Debit:

(a) At the end of the fiscal year, with the balance of account (transfer to account 461 or 462).

Credit:

(a) With amount of gain on such equity interests sold or disposed of otherwise.

(b) With amount realized on equity interests previously charged to the loss account.

(See accounts Nos. 383 and 706.)

577 *Gain on warrants, options, and other stock rights acquired from SBCs.* This account will represent the amount of gain on the sale or other disposition of warrants, options, and other stock rights acquired from SBCs, and will include recoveries on stock rights losses previously charged to the loss account.

Debit:

(a) At the end of the fiscal year, with the balance of account (transfer to account 461 or 462).

Credit:

(a) With amount of gain on such warrants, options, and other stock rights acquired from SBCs sold or disposed of otherwise.

(b) With amount realized on warrants, options, and other stock rights previously charged to the loss account.

(See accounts Nos. 197, 383, 707, and memorandum record No. NA-10.)

578 *Gain on assets acquired in liquidation of portfolio securities.* This account will represent the amount of gain on the sale or other disposition of assets acquired in liquidation of portfolio securities of small business concerns carried in accounts Nos. 200, 201, 204, and 207, and will include recoveries on losses on assets acquired in liquidation previously charged to the loss account.

Debit:

(a) At the end of the fiscal year, with the balance of account (transfer to account 461 or 462).

Credit:

(a) With amount of gain on such assets acquired in liquidation of portfolio securities sold or disposed of otherwise.

(b) With amount realized on assets acquired in liquidation of portfolio securities previously charged to the loss account.

(See accounts Nos. 383 and 708.)

579 *Gain on other assets.* This account will represent the amount of gain on the sale or other disposition of assets not specifically provided for in other accounts, and will include recoveries on losses on other assets previously charged to the loss account.

Debit:

(a) At the end of the fiscal year, with the balance of account (transfer to account 461 or 462).

Credit:

(a) With amount of gain on such assets sold or disposed of otherwise.

(b) With amount realized on other assets previously charged to the loss account.

(See accounts Nos. 210, 211, 383, and 709.)

582 *Income from assets acquired in liquidation of portfolio securities.* This account will represent the amount of income earned on assets acquired in liquidation of portfolio securities, including the operation of properties, carried in accounts Nos. 200, 204, and 207.

Debit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

Credit:

(a) With amount of such income earned.

NOTE: In instances when a liquidating agent is employed to supervise the disposition of the assets, appropriate subsidiary accounts should be maintained by the agent. Cash collected from the sale of assets by the liquidating agent should be remitted immediately to the company. The company should maintain a local depository bank account, in which all receipts of the agent are deposited when direct remittances to the company are not feasible. Deposit balances in this account should be subject to withdrawal by check only by the company and should be reflected on the company's records in the same manner as other bank accounts.

Any advances to a liquidating agent for expenses incident to the operation or the disposition of assets acquired in the liquidation of portfolio securities should be charged to account No. 220—Prepaid expenses.

584 *Other income.* This account will represent the income earned not specifically provided for in other accounts.

Debit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

Credit:

(a) With amount of such income earned.

EXPENSE ACCOUNTS

600 *Commitment expense.* This account will represent the amount of commitment

expense on commitments from lending institutions.

On the books of the "initiating" company, this account also will include the amount of commitment expense on deferred participations.

Debit:

(a) With amount of expense incurred on commitments and deferred participations.

Credit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

NOTE: A deferred participation is defined as a commitment under a particiaption agreement whereby the "particiapting" company will make funds available on a deferred basis to the "initiating" company in connection with the latter's financing of, or commitment to finance, a small business concern, or in connection with an "initiating" small business investment company's acquisition of loans or equity securities from other such companies.

(See account No. 340.)

610 *Interest on obligations payable to SBA.* This account will represent the amount of interest expense accrued on obligations payable to the Small Business Administration for funds borrowed.

Debit:

(a) With amount of such interest accrued.

Credit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

(See accounts Nos. 300, 301, and 350.)

622 *Interest on obligations payable to other than SBA.* This account will represent the amount of interest expense accrued on obligations payable to other than the Small Business Administration for funds borrowed.

Debit:

(a) With amount of such interest accrued.

Credit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

(See accounts Nos. 310, 311, 312, 313, 320, and 350.)

642 *Stock record and other financial expenses.* This account will represent the amount of charges to the company by the transfer agent and the registrar for services rendered in connection with the issuance and transfer of the company's capital stock, and will include other financial expenses not provided for elsewhere.

Debit:

(a) With amount of such expenses incurred.

Credit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

(See account No. 340.)

650–679 *Operating expenses.* The accounts under this caption will represent the amounts of operating expenses incurred.

Debit appropriate account:

(a) With amount of operating expenses incurred.

Credit appropriate account:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

650 *Advertising and promotional costs.* This account will represent the cost of advertising and promoting the company's services, including the cost of entertaining prospective borrowers and clients.

651 *Appraisal and investigation costs.* This account will represent the amount of charges made by outside firms and individuals for appraisal, investigation, and related services rendered to the company.

652 *Auditing and examination costs.* This account will represent the amount of charges for auditing, examination, and bookkeeping services rendered by accountants not on the company's payroll, and charges for services rendered by SBA examiners.

653 *Communications.* This account will represent telephone, telegraph, and postage expense.

654 *Cost of space occupied.* This account will represent the cost of space occupied such as rent, alterations, light, heat, power, janitor service, maintenance and repair expense on buildings, furniture, and equipment (other than automobiles), etc.

655 *Depreciation of corporate premises owned, furniture, and equipment.* This account will represent the amount of provision applicable to the fiscal year for depreciation of the buildings and other depreciable improvements of corporate premises owned and used as the company's office quarters. The account also will include the amount of provision applicable to the fiscal year for depreciation of furniture and equipment (other than automobiles) owned by the company.

656 *Amortization of leasehold improvements.* This account will represent the amortization of leasehold improvements.

657 *Directors' and stockholders' meetings costs.* This account will represent directors' fees and travel expense for attendance at directors' and stockholders' meetings. The account also will include the cost of holding stockholders' meetings, such as rental of the meeting hall and related expenses.

658 *Insurance.* This account will represent fire, theft, employee group life insurance, and other insurance expense, including fidelity bond, premiums and insurance on automobiles. The portion, if any, of employee group life insurance premiums withheld from salaries or received from employees will be reflected in account No. 378. Insurance premiums to be amortized will be charged to account No. 220.

659 *Management services fees.* This account will represent the amount of charges made by outside firms or individuals for management services provided to licensee pursuant to management agreement approved by SBA.

660 *Investment adviser costs.* This account will represent the amount of charges made by outside firms and individuals for furnishing consultation and advice to the company with respect to the desirability of investing in, purchasing, or selling loans, debt securities, and capital stock of small business concerns and other property.

661 *Legal services.* This account will represent the cost of legal services rendered to the company.

663 *Salaries.* This account will include the balances in subaccounts Nos. 663.1 and 663.2.

663.1 *Salaries of officers.* This account will represent the salary cost of all officers of the company, including directors' salaries, if any, but not directors' fees for attendance at meetings.

663.2 *Salaries of employees.* This account will represent the salary cost of all employees other than officers, including salaries of any temporary or part-time employees engaged for specific assignments.

664 *Taxes, excluding income taxes.* This account will represent the cost of all taxes, including those on corporate premises owned, motor vehicle, and personal property, social security taxes (company's portion), and other taxes charged to the company, exclusive of income taxes.

665 *Travel.* This account will represent all travel expense, including transportation charges, automobile maintenance, operating expense, and depreciation expense, meals, lodging, telephone, telegraph, and other company costs incurred by officers and employees while in a travel status.

670 *Employee benefits expense.* This account will represent the cost assumed by the company in contributing to funds providing for employee retirement benefits and other types of employee benefits, except group life insurance. The portion, if any, of the cost of employee benefits withheld from salaries or received from employees will be reflected in account No. 378.

672 *Amortization of organization expense.* This account will represent the amount of legal fees, promotional expense, stock certificate costs, incorporation fees, taxes, and other related costs incurred in organizing the company, which are charged to expense (this account) as incurred or are transferred to this account periodically through the amortization of organization costs established as an asset in account No. 256.

679 *Miscellaneous operating expenses.* This account will represent the amount of operating expenses not specifically provided for in other accounts. There will be included expenses incurred in connection with dues, subscriptions, donations, and similar items; charges made to the company for custodial or safekeeping services in connection with its portfolio securities; and bank service charges, exchange on checks, protest fees, etc., and the cost of office supplies such as stationery, accounting forms, binders, pencils, etc.

680 *Estimated losses on receivables.* This account will represent the amount of estimated losses applicable to the fiscal year on notes and accounts receivable, and interest receivable.

Debit:

(a) With amount of such estimated losses incurred.

Credit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary).

700 *Loss on U.S. Government securities.* This account will represent the amount of loss on the sale or other disposition of United States Government obligations, direct and fully guaranteed, carried in accounts Nos. 130–135.

Debit:

(a) With amount of loss on such securities sold or disposed of otherwise.

Credit:

(a) At the end of the fiscal year, with the balance of account (transfer to account 460 or 462).

(See account No. 570.)

702 *Loss on debt securities.* This account will represent the amount of loss on the sale or other disposition of debt securities of small business concerns carried in accounts Nos. 180 and 184.

Debit:

(a) With amount of loss on such debt securities written down or sold or disposed of otherwise.

Credit:

(a) At the end of the fiscal year, with the balance of account (transfer to realized gain and loss summary—account No. 461).

(See account No. 572.)

705 *Loss on Capital stock of SBCs.* This account will represent the amount of loss on sale or other disposition of capital stock of small business concerns carried in accounts Nos. 190 and 191.

Debit:

(a) With amount of loss on such capital stock written down or sold or disposed of otherwise.

Credit:

(a) At the end of the fiscal year, with the balance of account (transfer to account 461).

(See account No. 574.)

706 *Loss on equity interest of unincorporated concern.* This account will represent the amount of loss resulting from sale or

other disposition of equity interests of unincorporated concerns carried in account No. 194.

Debit:

(a) With amount of loss on such equity interests sold, written off, or disposed of otherwise.

Credit:

(a) At the end of the fiscal year, with the balance of account (transfer to account 461).

(See account No. 576.)

707 *Loss on warrants, options, and other stock rights acquired from SBCs.* This account will represent the amount of loss on the sale or other disposition of warrants, options, and other stock rights acquired from SBCs.

Debit:

(a) With amount of loss on such warrants, options, and other stock rights written down or sold or disposed of otherwise.

Credit:

(a) At the end of the fiscal year, with the balance of account (transfer to account 461).

(See accounts Nos. 197, 577, and memorandum record No. NA–10.)

708 *Loss on assets acquired in liquidation of portfolio securities.* This account will represent the amount of loss on the sale or other disposition of assets acquired in liquidation of protfolio securities of small business concerns carried in account No. 200, 204, and 207.

Debit:

(a) With amount of loss on such assets written down or sold or disposed of otherwise.

Credit:

(a) At the end of the fiscal year, with the balance of account (transfer to account 461).

(See account No. 578.)

709 *Loss on other assets.* This account will represent the amount of loss on the sale or other disposition of assets not specifically provided for in other accounts.

Debit:

(a) With amount of loss on such assets sold or disposed of otherwise.

Credit:

(a) At the end of the fiscal year, with the balance of account (transfer to account 461).

(See account No. 579.)

710 *Expense on assets acquired in liquidation of portfolio securities.* This account will represent the amount of expense incurred on assets acquired in liquidation of portfolio securities, including the operation and depreciation of properties, carried in account No. 204 (if an unincorporated SBC) or account No. 207. The account also will include the amount of interest expense accrued on mortgages payable on assets acquired in liquidation of portfolio securities.

Debit:

(a) With amount of such expense incurred.

Credit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary—account No. 460).

NOTE: In instances when a liquidating agent is employed to supervise the disposition of the assets, appropriate subsidiary accounts should be maintained by the agent.

Cash collected from the sale of assets by the liquidating agent should be remitted immediately to the company. The company should maintain a local depository bank account, in which all receipts of the agent are deposited when direct remittances to the company are not feasible. Deposit balances in this account should be subject to withdrawal by check only by the company and should be reflected on the company's records in the same manner as other bank accounts.

Any advances to a liquidating agent for expenses incident to the operation of or in the disposition of assets acquired in the liquidation of loans and debt securities should be charged to account No. 220—Prepaid expenses and deferred charges.

715 *Other expenses.* This account will represent the amount of nonoperating expenses not specifically provided for in other accounts, including, on the books of the "participating" company, the amount of compensation expense for financial services received from "initiating" companies in connection with participations purchased.

Debit:

(a) With amount of such expenses incurred.

Credit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary—account No. 460).

(See account No. 340.)

720 *Income taxes—net income.* This account will include the balances in subaccounts Nos. 720.1, 720.2, 720.3, etc.

720.1 *Federal income taxes—net income.* This account will represent the amount of Federal income taxes applicable to net income for the current fiscal year.

Debit:

(a) With amount of such taxes accrued.

Credit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary—account No. 460).

720.2 *State income taxes—net income.* This account will represent the amount of State income taxes applicable to net income for the current fiscal year.

Debit:

(a) With amount of such taxes accrued.

Credit:

(a) At the end of the fiscal year, with the balance of account (transfer to profit and loss summary—account No. 460).

(See subaccounts Nos. 354.1 and 354.2.)

722 *Income taxes—net realized gain on investments.* This account will include the balances in subaccounts Nos. 722.1, 722.2, 722.3, etc.

722.1 *Federal income taxes—net realized gain on investments.* This account will represent the amount of Federal income taxes applicable to net realized gain on investments for the current fiscal year.

Debit:

(a) With amount of such taxes accrued.

Credit:

(a) At the end of the fiscal year, with the balance of account (transfer to realized gain and loss summary account No. 461 or 462).

(See subaccount No. 354.1.)

722.2 *State income taxes—net realized gain on investments.* This account will represent the amount of State income taxes applicable to net realized gain on investments for the current fiscal year.

Debit:

(a) With amount of such taxes accrued.

Credit:

(a) At the end of the fiscal year, with the balance of account (transfer to realized gain and loss summary account No. 461 or 462).

(See subaccount No. 354.2.)

MEMORANDUM RECORDS

Nominal assets

NA–10 *Stock purchase warrants or options on stock of SBCs.* This record will show the company's ownership of detachable stock purchase warrants or options on stock of SBCs, retained after the accompanying financing instruments have been disposed of, for which no consideration was given distinct from that surrendered for such financing instruments and for which no separate cost has otherwise been determined.

Each such detachable stock purchase warrant or option certificate should be entered in this record, upon detachment, at a nominal value of one dollar ($1.00). Upon sale of such a detached stock purchase warrant or option, upon exercise or expiration of rights conveyed by such a detached stock purchase warrant or option, or upon the determination of a cost to be recorded for such a detached stock purchase warrant or option, the entry establishing such certificate in the memorandum records is to be discharged through an equivalent credit.

Debit:

(a) With nominal value of such detachable stock purchase warrants or options upon their detachment from capital stock certificates or debt securities.

Credit:

(a) With nominal value of such detached stock purchase warrants or options upon exericse or expiration of rights conveyed by such warrant or option certificates.

(b) With nominal value of such detached stock purchase warrants or options sold or disposed of otherwise.

(c) With nominal value of such detached stock purchase warrants or options for which a separate cost has been established.

(See accounts Nos. 180, 190, and 197.)

Contingent liabilities

CL–15 *Commitments outstanding.* This record will show the amount of financing commitments made and outstanding to small business concerns, including commitments for loans and for the acquisition of small business concerns' capital stock and debt securities. This record also will show the amount of deferred participations. A deferred participation is defined as a commitment under a participation agreement whereby the "participating" company will make funds available on a deferred basis to the "initiating" company in connection with the latter's financing of, or commitment to finance, a small business concern, or in connection with an "initiating" small business investment company's acquisition of loans or equity securities from other such companies. When funds are advanced against commitments, appropriate entry will be made in this record.

CL–16 *Guarantees outstanding.* This record will show the amount for which the company is contingently liable under guarantees issued to lending institutions in connection with obligations of portfolio concerns under notes, debentures, or other evidences of indebtedness, or short-term advances to such concerns.

CL–17 *Other contingent liabilities.* This record will show the amount of miscellaneous contingent obligations not otherwise classified.

Options on company's stock

OCS–1 *Options on company's stock.* This record will show details of outstanding options on the company's capital stock granted in lieu of salary or in payment for services actually rendered to the company. The following data will be included:

1. Identification of person or entity holding options.
2. Number of shares optioned.
3. Type and class of stock called for by options.
4. Dates of grant and of expiration of options.
5. Price or prices at which options exercisable, with dates they apply.
6. Fair market value, per share, of stock called for at date each option was granted.
7. Price of each option as percent of fair market value of optioned stock at date option was granted.
8. Provisions for termination of options in case of death or retirement of optionees, or other circumstances.
9. Details of authorization, shares reserved for, issuance, exercise, lapse, and forfeiture

of options provided for under the company's stock option plan.

Actual loss experience

AL–1 *Actual (realized) losses.* This record will show for each fiscal year, and also accumulatively, the amount of actual (realized) losses incurred through disposition, writedown, or writeoff of loans and investments. Losses shall be stated in total for all loans and investments and also separately for loans; debt securities; capital stock of small business concerns; warrants, options, and other stock rights of small business concerns; assets acquired in liquidation of loans and debt securities; and amounts due from debtors on sale of assets acquired in liquidation of loans and debt securities. Losses realized shall be determined in relation to cost of the assets involved without regard to the existence or nonexistence of related allowances for losses.

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